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FBIS-USR-94-037

13 April 1994



CENTRAL EURASIA



FBIS Report: Central Eurasia

FBIS-USR-94-037

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POLITICAL AFFAIRS

Chubays Views Zhirinovskiy Coup Threat

944K1051A Moscow ARGUMENTY I FAKTY
in Russian No 14, Apr 94 p 3

[Interview with Anatoliy Chubays, deputy prime minister of the Government of Russia, by unidentified ARGUMENTY I FAKTY correspondent; place and date not given: "Zhirinovskiy's Plot?"]

[Text] *A few days ago EFIR-DAIDZHEST reported that Anatoliy Chubays, deputy prime minister of the Government of Russia, speaking on a British television program, said that there exists a plot aimed at bringing V. Zhirinovskiy into power in our country no later than this coming fall. We asked A. Chubays to explain what he meant.*

[ARGUMENTY I FAKTY] What sources do you have for such contentions?

[Chubays] The sources of information are quite simple: A special trait of figures like Zhirinovskiy is that they cannot keep their mouth shut, which lets them down, especially when they publish in "their" publications. They get a little "carried away" and say things they had not intended to say.

I have in my possession the newspaper ZAVTRA, which published a dialogue between A. Prokhanov and Mr. Zhirinovskiy. In it, Zhirinovskiy states: "...and in Russia, in order to wake up the Russian nation, it can be awaken by bloodshed." I think this statement does not need any comment.

Next A. Prokhanov asks V. Zhirinovskiy: "You mean that reintegration will occur through the tragedy of these people?" (meaning unification of the former USSR republics). V. Zhirinovskiy replies: "Through death! The death of millions of Tajiks, Georgians, Uzbeks." I want to draw your attention also to the title of this material: "I Will Move Into the Kremlin!" He also names the time frame—this coming fall.

I did not invent all this—I simply reproduced what Vladimir Volfovich himself said.

It is interesting to see how he reacted to my comments in the BBC program. This is what REUTER writes. V. Zhirinovskiy is asked: "What is your reaction to what A. Chubays said?" He replies: "Chubays told the truth. He is absolutely right." Next he says that there have been two putsches: "These two putsches were without our participation, and that is why they failed. With our participation, victory will be ensured. The third time will be with our participation."

What follows from this? It is obvious that these people understand very well that the only way for them to come to power is through bloodshed. It is clear that they will attempt to provoke this bloodshed. Of course, all our economic difficulties, all problems are fertile soil for

them, on which they have grown in the first place. The worse the economic situation, the better it is for them, the more chances that they will be able to rock the boat and "move into the Kremlin" in the fall. Why in the fall? So far there are no presidential elections scheduled for the fall. They are scheduled for 1996. If a political figure, a leader of a party, says "I will move into the Kremlin in the fall," it means that he is speaking of an unconstitutional method of seizing power. All other words: "by peaceful means," "people themselves will carry me in," "I will be given a ticket to move into the Kremlin"—these are just window dressing to cover the plot.

That is why I see this situation as so serious. And I treat it not as empty bantering but as a slip Zhirinovskiy has made regarding plans that are actually being hatched by his supporters. And I am convinced that both government bodies and public organizations should treat it seriously. The president has already said that he will watch carefully over any actions violating the law, on the part of both those who have been amnestied and those who are in cohort with them.

Our actions with respect to setting up the Russia's Choice Party are directly linked with this. We do not need a debating club that discusses various general political problems—we need a well-defined political structure with a staff, cadres, communications, and finances, capable of providing resistance to provocation. We can only fight this threat by united efforts: of the state, which resorts to the enforcement apparatus in the event the law is violated, and social forces, for which the road of plots is unacceptable.

[ARGUMENTY I FAKTY] It is strange to hear a reformer predict V. Zhirinovskiy's victory.

[Chubays] I never said Zhirinovskiy would win, because I am convinced that fascism cannot win in Russia—at least legally. I do not believe that Russia will ever give its vote to a fascist leader. For me it is also impossible because I am a son of a military man who fought the war from 22 June 1941 to 9 May 1945. As to the threat of fascism, I spoke of it as long ago as 13 December 1993.

Shumeyko Comments on Current Issues

944K1040A Moscow ARGUMENTY I FAKTY
in Russian No 14, Apr 94 pp 1, 3

[Interview with Vladimir Shumeyko, chairman of the Federation Council of the Federal Assembly of the Russian Federation, by unidentified ARGUMENTY I FAKTY correspondent(s); place and date not given: "V. Shumeyko: When We Have Stability, Wealth Will Follow"]

[Text] [ARGUMENTY I FAKTY] Vladimir Filippovich, we hear that political chaos is reigning in the country; that we cannot live like this anymore. Is it so difficult to find the way to an accord?

[Shumeyko] Yes, political chaos does indeed exist. Russia is currently going through a peak in politician activism while voter activism has hit the bottom. Voter activism has dropped in both the democratic camp and among the opposition. For instance, in St. Petersburg there were 750 candidates for 50 seats in the Duma. At that point Sobchak permitted a rally to be held against these elections at the request of four parties of communist orientation. They wanted to bring out 15,000 people at the Palace Square. At the designated time, 22 persons showed up. It became clear that people are tired of this all. Politicians have completely lost touch with real life.

[ARGUMENTY I FAKTY] You have lived through two putsches: one inside the "White House" and one outside it. What do you think? Will you survive the third?

[Shumeyko] I think there will not be a third one. There are no preconditions for it today.

[ARGUMENTY I FAKTY] On 4 April it is six months since the tragic October events. Was it possible to avoid them?

[Shumeyko] At the negotiations the evening of Friday, 1 October, the White House defenders set a condition: to hold early presidential elections on 12 December. When the president was told about this condition, he said that for the sake of national accord he would be willing to run for reelection any time.

Those in the White House learned about it, and the opposition's main trump card was rendered void. This is when the events began to escalate instantly. A demonstration moved from October Square to the White House and began storming the Comecon building. A convoy took off for Ostankino at the same time.

We spent the whole night deciding what to do. We could not let events spill out further from Moscow across Russia. A civil war in an industrially developed state, where any power station, chemical enterprise, or defense plant may be blown up is suicide. As if we did not have enough with Chernobyl.

[ARGUMENTY I FAKTY] But violence eventually had to be stopped by even greater violence—tanks.

[Shumeyko] Our plan was predicated on the assumption that Rutskoy is a military man, not a politician. If, in the morning, a professional military man sees tanks with guns trained on him, he understands perfectly well that they will fire. It is time to surrender. But Rutskoy hoped that there would be those who would defend him. The people, however, were not jumping under these tanks, and did not rise to defend Rutskoy and Khasbulatov. And when the besieged were told "Come out with a white flag," machine-gun fire came from a White House window. The first shell from a tank went to the window from which machine-gun fire was coming. After that there was again a pause, designed for the reaction of a

military man who is given time to change his mind. Because if it is war, the shelling will continue until victory.

To tell the truth, nobody expected the besieged to start military action. The army did not want to start this war. I get indignant when people say that Yerin showed himself as a weak man and the troops did not shoot. Do you think it is easy to make a soldier shoot at his own people?

Now I think: Rutskoy is a professional, you cannot take that away from him, but he was not in control of the situation in there. I am certain of it. Because if parliament defends the constitution, but at the same time allows fascists to defend itself (remember Barkashov people with swastikas on their sleeves), what kind of law, what constitution, what parliament are we talking about? The constitution says that even fascist propaganda is impermissible.

[ARGUMENTY I FAKTY] But, on the other hand, the constitution does not say that you can fire at the elected parliament.

[Shumeyko] I agree with you unequivocally. But neither does the constitution say that you can allow a civil war to happen. What I will say may sound cynical: An aircraft went down; 75 people died. We have lived through this tragedy—what can we do about it? There were 120 people who died around the White House. Yes, I am sorry for them. But Russia was saved at this price, since civil peace was restored. Everything we did, we did right.

[ARGUMENTY I FAKTY] And you think that the memory of those October days subconsciously prompts all political forces to accord?

[Shumeyko] Accord is inherent in today's life. Nobody wants any more of these battles. Ordinary people understand better than politicians that Russia can be turned only once in a century, Russia, like a huge ship, has just turned toward reforms. And now what; turn back?

[ARGUMENTY I FAKTY] Can an accord be reached at the time of intensive fight for power?

[Shumeyko] It is easier to seize power when everything is collapsing. To gain it in a democratic way—through elections—naturally, is difficult. But more honorable. Then let us first strengthen this authority. The institution of the presidency is the youngest in the state. There has always been a czar. After the czar, general secretary—the same czar. For the first time democratic presidential authority was born in Russia. When it gets stronger, then let us go for it in a democratic way. But there are many who do not want to strengthen it!

[ARGUMENTY I FAKTY] Since you have become a Russian deputy, you also have been near the helm of power all the time. It was probably not easy to be Khasbulatov's deputy, was it?

[Shumeyko] After I was made his deputy, our relations became difficult right away. Before the Sixth Congress he told me that we will need to speak up and defeat Gaydar's government. I told him that I have a different opinion: Gaydar's government does what is necessary and possible only in this today's situation. Shock therapy is beyond the point. We do not have it; nobody has launched any shock therapy. It would not occur to any of us with our socialist-economic thinking to suddenly free prices. And Gaydar was right in proposing to free prices for everything at the same time. But, we did not agree... The main achievement of our reforms is that the market got 76 percent saturated at prices that are higher than world prices. Now we can develop our own producer. At the time, though, the country was on the brink of complete collapse and ruin... Now some people say that Gaydar is at fault, that Yeltsin is at fault, that they have destroyed the entire economy and the state. They saved it. It was the CPSU that had been destroying it.

[ARGUMENTY I FAKTY] And what about the money that is flowing abroad—the money for natural resources, the people's wealth?

[Shumeyko] And why do foreign investors not invest money in the Russian economy? They will not invest a kopek as long as they see that our own people open accounts abroad! And they do it because they have no idea how things will develop here. They allow for the possibility that the day may come when their money will be taken away and everything will return to the way it was.

[ARGUMENTY I FAKTY] Why can the government not earn credit for such confidence that our people would keep their money here and foreign investors would not mind investing in the Russian economy?

[Shumeyko] You cannot change people overnight. The West looks at us the same way: Today one thing is happening, tomorrow—a different one, and the day after tomorrow—different again. When it stabilizes we will invest the money; no stability—even the rich compatriots will leave, together with families, and will live abroad. People are people; they simply do not believe. Since there is no accord in the country, there is no peace, no stabilization; so why should one keep his money here?

[ARGUMENTY I FAKTY] Your charm gets you out of any adversity. But even in your life there have been situations when everything was against you. You are so smart—how could you get into a jam?

[Shumeyko] I have certainly been through some. Especially with the Procuracy. I asked then to relieve me temporarily of my job so I could sort it out. I have never had a harder time in my life. When they brought a document to me and asked: "Is this your signature?" I said: "Mine."—"It is not a forgery?"—"No, it is my signature. But I have never put my signature on this text." The saddest part is that there is a number of documents against, for instance, Rutskoy, or myself, which has been made in the same place, at the order of

the same people. This is the most depressing part. Because Rutskoy by himself had never been the person he became. We shape ourselves, and others, too—depending on how easy they are to shape. And history shapes us all.

[ARGUMENTY I FAKTY] You are again in the presidium, and now before you is not a congress, not the former parliament, but essentially a small group of people—the Federation Council. Can accord be reached with them?

[Shumeyko] Today it is the president who offers accord. And if the chief politician believes that Russia is ready for this accord, it is already indicative. He could not offer such a thing earlier. In the Federation Council we have politicians of high rank. Sixty-seven percent of them are people who have real authority. This accord is addressed to them today. Even the communist "branch" offered its text of accord for the sake of Russia. The president understands that there cannot be two or three accords. There can only be one. Either it is there or it is not. When Chernomyrdin came for the first time to the Federation Council, he said that the Japanese, when they were pulling out of economic backwardness, worked without a single day off, 12 hours a day. And the entire Federation Council applauded. It was seen that a watershed has been reached: Everybody understood that it was time, that we had to get to work.

This is precisely that element of accord that showed in the emotions. This mood gave away all politicians: We are tired of it; let us find accord and begin working.

[ARGUMENTY I FAKTY] Former U.S. President Nixon says that Zhirinovskiy, with his demagoguery and rudeness, will never become president of Russia. Chubays says that Zhirinovskiy intends to become president by this fall. In your opinion, does he have a chance?

[Shumeyko] Zhirinovskiy's style is not clownery—it is the theory of populism. Its meaning is that a person must proclaim himself in as shocking a way as possible, such as in a play staged by a talented director. People forget in a week what he said, but remember who said it. Try to recall everything and repeat it. You will not be able to. Both Gaydar and Chubays say that Zhirinovskiy brought fascism. In reality, Zhirinovskiy is a populist, not a fascist. The people who participated in elections were mostly pensioners. They could not vote for fascists. We do not have any families that have not suffered during the war.

We are a great nation, and Russia, beginning with Ivan Kalita, always developed by expansion. Along the way of development, by absorbing peoples, confessions, cultures, it became an empire. Communists came and made use of this imperial theory. One-sixth of dry land—"the great, powerful Soviet Union." We were proud of it. We were all called Russians in the West, whether we were Tatars or Jews. And suddenly for the first time in its entire 1000-year history Russia has lost part of its

territory. Russian people who found themselves outside of it became "Russian-speaking," a "national minority," or whatever else!

The nation has experienced a psychological shock. And Zhirinovskiy very skillfully used it.

[ARGUMENTY I FAKTY] You have spoken actively on the subject of a Eurasian Union. Is this a realization of a past mistake? In your opinion, is a union possible?

[Shumeyko] It is possible, but not today. We began speaking of it in order to "test" this idea in the society. Life forces us to do it. There are many Russian-speaking people left outside of Russia. We propose to CIS countries to introduce dual citizenship. But if we can count on it, why do we need to erect borders between us and impose customs duties?

We need a more rigid organization of what you call the Commonwealth. Why not step straight up to world level and create out of the CIS a Eurasian Union, a civilized union of countries aimed at meeting each others' interests?!

Politicians Assess Chances for Accord

944F0523A Moscow ROSSIYSKAYA GAZETA
in Russian 31 Mar 94 p 3

[Meeting of ROSSIYSKIYE VESTI Political Debating Club; date not given: "Possibility of Accord"]

[Text] The latest meeting of the political debating club has been held at ROSSIYSKIYE VESTI. Topical problems of social development in Russia following the formation of a new government and the start of work of the Federal Assembly were examined.

Yuri Georgiyevich Aleksandrov, doctor of economic sciences, Academician Aleksey Mikhaylovich Yemelyanov, member of the State Duma, Aleksey Vasilyevich Kiva, doctor of historical sciences and political scientist and current affairs writer, and Viktor Leonidovich Sheynis, doctor of economic sciences and member of the State Duma, took part in the debate.

The meeting of the club was anchored by Leonid Petrovich Kravchenko, first deputy chief editor of ROSSIYSKIYE VESTI.

Let Us Clarify the Situation

L. KRAVCHENKO. Esteemed colleagues! We are today holding the latest meeting of our political debating club. On the last occasion, as you will recall, we examined the situation that had taken shape in Russia following the tragic October events, the Federal Assembly elections, and the adoption at the referendum of the new Constitution of the Russian Federation. We concluded at that time that the polarization of political forces in society had intensified. Against the background of the intensifying socioeconomic crisis in the country there has been a loss of confidence among various strata of society in

the policy of economic reforms that has been pursued. This was reflected also in the election results, when many seats were unexpectedly won by representatives of the opposition forces.

Unfortunately, the decline in production continues. The rate of inflation and the price rises remain high. Threats of mass strikes have arisen once more. Certain forces interested in a destabilization of the situation are spreading rumors concerning a possible coup d'état and the removal of the president from office. What opportunities do there continue to be under these conditions for accord and civil peace, for which, incidentally, both the president and the State Duma are calling? It is this question that I would like to present for discussion.

A. KIVA. I will express certain general points, which, it seems to me, elucidate more broadly the situation in which we find ourselves.

First. I believe that the postcommunist development of our society is, generally, proceeding in normal fashion. The failure of the democrats at the elections was entirely logical following two years of difficult reforms. Nor does the figure of Zhirinovskiy represent anything out of the ordinary, although for Russia extreme nationalism or neofascism are unusual, of course. The president has changed in some respects. The events of recent months, the October events particularly, have made their mark and have turned him in the direction of greater consideration and an inclination toward compromise and agreements.

I would say that the government is different also. It is more independent, more sure of itself than before. In other words, an evolution, an on-going movement, is under way.

Second. It seems to me that the democrats already have something to lose. For this reason they should be not only members of the avant-garde, not only revolutionaries, but also custodians. There is a constitution, a democratic constitution. A line has been drawn beneath our Soviet past. Forever, I believe. And when we hear some facile opinions to the effect that we have only chaos, only failures, this is to me simply incomprehensible, therefore.

Third. I am convinced that the economic reforms still require appreciable correction. And if some people have yet to recognize that the former system of our financial stabilization is not working and that there is a very great danger of economic collapse and the disintegration of the social sphere, a danger of social explosion, this is distressing.

Fourth. I do not doubt that the democrats also are at an impasse. Primarily Russia's Choice and its leaders. They simply cannot, in my view, recover, simply cannot get their bearings in the new situation, cannot understand realities as they are. Nor can they accept, in the full meaning of the word, the rules of the political game according to the laws of democracy.

Fifth and finally. An active regrouping of political forces is under way in the Duma, in my view. It is complete [as published], I believe, but a very strong tilt toward the center may be observed.

A regrouping of political forces outside of the Duma is taking place also, evidently. And the strategic question is this: What alternative awaits us in the immediate future—left or right?

It seems to me that liberalism is departing from the political front stage. It will very shortly be departing from the economy also. I foresee opening up historically as a replacement for liberalism most likely an alternative course to that which has been realized in Poland or in Lithuania, that is, social democratic. And the state, which in the past took shape as a civil society, will be required to endeavor to assume social patronage. It should be considered, however, that with us people, particularly of the older generation, will accept a policy which aims at social protection of the populace. If such a policy is implemented, the chances of accord in our society will be enhanced.

Between Scylla and Charybdis

V. SHEYNIS. The main question concerns the vector of Russia's historical development. There is with us a real danger of us becoming enmeshed in bloody chaos. I am talking about a difficult transitional period, which began several years ago and which will hardly end any time soon. And there is no more important task currently than averting this bloody chaos, lawlessness, and disintegration of the state. It is essential for this, of course, to undertake a whole number of positive actions.

Aleksey Vasilyevich Kiva said that Russia is completing the transition to postcommunism. I believe that this is correct, but I would posit an even broader historical framework. We are completing the transition from historical underdevelopment, which is typical decidedly of all countries, other than the pioneers—the West European countries—to a developed modern society. For some time now I have, what is more, been deliberately avoiding such concepts as socialism and capitalism, which, in my opinion, are capable more of blurring the heart of the matter than elucidating it. And so in attempting to reveal the distinctive aspects of Russia's transition I would highlight four essential points.

First, as distinct from China and as distinct from the countries of Latin America and Southeast Asia, we are switching not from an undeveloped market to a market economy but from an entirely antimarket system, a virtually ideal model of the distributive-state economy.

Second, as distinct from, say, the East European countries, we are having to create from scratch institutions of the civil society. It was sufficient to pull down the Berlin Wall, it was sufficient to remove the threat of Soviet troops' invasion of the East European countries, for all the institutions of the civil society, which they had had formerly, to grow there instantly.

Third, the superpower complex. This is a distinction from many other countries. And this complex had entirely material outlines also, what is more, namely: a warped economy, an economy with a tremendous preponderance of military production, an economy with plant-cities, which it is very difficult to escape and which we cannot simply up and reform in a comparatively short space of time.

Fourth. Transition requires political stability. This we do not have, unfortunately. There are, generally speaking, two basic ways to achieve stability: either the decisive victory of one side or the achievement of accord among the main antagonistic forces. That is, a social compact—formal or informal—but observed by the opposite sides.

In the last parliament I took part in the formation of a faction which called itself Accord for Progress. And although we cannot boast of any appreciable political achievements, I believe that the faction and its program, expressed in its name, had nothing to be ashamed of. It pursued a policy which, perhaps, could not have been realized in that specific situation but which sowed good seeds.

A particular feature of the situation today is that both sides into which society is divided are oriented toward victory. But this orientation is increasingly assuming the cover of accord. That is, the idea of compromise, the idea of the achievement of some degree of accord, is present and is being proclaimed. The only trouble is that we write one thing and hold on in our minds to something else. Everyone is preparing for the main political event in Russia of the latter half of the 1990's, namely, the presidential elections.

In this connection, one further essential point. In the new constitution the role of parliament has, unfortunately, been reduced. Structures of the executive headed by the president are coming to the fore. What kind of Russia will enter the 21st century and whether it can successfully overcome all the dangers of the transitional period will depend, therefore, on who is elected president at the next elections.

Passing between Scylla and Charybdis is a well-known popular expression. But the vast majority of those who employ this image misinterpret it. They proceed from the fact that the hero of the ancient Greek epic poem had an opportunity to somehow slip through, avoiding both Scylla and Charybdis. But Odysseus did not have this opportunity, and he had to choose the less fearsome of the two monsters. And this, truly, is our situation today. We are choosing not between good and bad but between bad and very bad.

YU. ALEKSANDROV. Viktor Leonidovich, I have the impression that the preparation of different political forces for the struggle for the presidency is under way, as it were, in the Duma and that the powerful bloc-forming

of the opposition forces in order to begin the antipresidential campaign even now is taking place simultaneously. Isakov, in particular, has declared that the president is the main destabilizing factor at the present time. What do you think?

V. SHEYNIS. Isakov's speech attracted attention, of course. As distinct from many other representatives of the implacable opposition, Isakov, who possesses many of the "virtues" of this political current, is an educated individual. He is not Anpilov. He is a professional. And when he said that the constitution affords an opportunity for presidential elections via parliament, he understood full well that he was telling an untruth. And do you know why? This was simply a trial balloon. For the opposition in parliament does not have the requisite majority even for raising this matter. The approximate correlation of votes is at the most 200 on one side and around 170 on the other.

A. YEMELYANOV. A few words to add to what Viktor Leonidovich said. Remember how the speaker of the house was elected in the State Duma. The opposition rejoiced when Ivan Petrovich Rybkin's candidacy was successful. Now, it seemed, they could bar admission to power of anyone from blocs of a democratic persuasion: both committee chairmen and their deputies. But look what has happened. The leaders of the blocs have agreed not to "devour" one another but to share these committee chairman and deputy positions proportionally. They proposed Mikhail Mityukov as first deputy speaker, yet they could have barred him altogether. And, what is most important, they agreed to a block vote. This means that they proceeded from common sense, from an understanding that a new alignment of forces has emerged in parliament.

The Barometer Is Common Sense

A. YEMELYANOV. I would like to distinguish several aspects of the following nature. See how the recent turnabouts in economic policy and the personnel shuffles in the government were interpreted, particularly in the news media. They made a fuss about the fact that this was essentially a recoil, a return to the old ways. It is our former delusions that were, I believe, the basis of such opinions. In this case, monopolism of the truth.

And although we are fighting this and have condemned it in theory, it is this that we are encountering even now in the interpretation of the reforms. We want in practice to reduce an understanding of the essence of the reforms to the way in which they were presented and implemented since the start of 1992 by Yegor Timurovich Gaydar and his team. But you cannot make provision for everything with such profound reformations. Mistakes are inevitable, corrections are inevitable, and there is nothing to be ashamed of if the reformer himself sees this and changes and improves and does not present matters as a renunciation of the reforms.

And, then, what have we to be ashamed of? We have, after all, achieved a great deal. Let us recall. Two and a

half years ago the very words "enterprise" and "private property" were rejected in what was then the Union Supreme Soviet by the majority, Gorbachev included. And even Sobchak, this is a historical paradox, was the first to protest and "ax" the concept of ownership of the land. When we deputies proposed this, he said that both the Black Sea coast and everything else would then be bought up. This is how ideology prevailed over common sense. These were the nineties. But now no one any longer disputes, not even the most conservative figures protest, private ownership or enterprise. This is a breakthrough in ideology, a breakthrough in management philosophy.

But the problem lies elsewhere. The reforms should not have been "spurred." The transition from one society to another, from one economic and social system to another, is a process of decades. And what did we do? I will give you just one characteristic with reference to agriculture. Remember how the task that was set was reorganization and the liquidation of all unprofitable kolkhozes and sovkhozes by 1 April 1992. In just three months. Stalin carried out collectivization this way, but the timeframe was somewhat longer even then.

It is also bad that the reforms have been implemented exclusively in accordance with the from-the-top-down principle. Although it is now generally recognized that the interests of the individual cannot be disregarded.

YU. ALEKSANDROV. Just one comment concerning economic policy. There are two extremes here. It seems to me that if Gaydar's policy is evaluated in the context of the political conditions of that time, these unpopular measures that were pursued by Gaydar's team are explained to a large extent not so much by theoretical views as by the need to give a boost to the reforms, overcoming the very strong political resistance. Although, I agree, there were, of course, extremes. But we should beware that in the process of present-day corrections we not cross over into another system. We know that it is possible to build a market economy which proves to be confined, as it were, to the sector of inefficient works. How, after all, are they supported currently? Only by the redistribution of some limited economic resources of society. And we can build an economic system that has a sector of inefficient works protected against outside competition that supports the sufficiently high living standard of those who are associated with it. But we would be leaving the bulk of society overboard in these sumps of unproductive occupations.

A. YEMELYANOV. I know all the reformers, they are almost all graduates of our Moscow State University Economics Faculty. I admire the talent of Yegor Timurovich and his colleagues. But on the practical level they did some foolish things. The general scourge of our economy, for example—the nonpayments. Tens, hundreds of enterprises are coming to a halt. This is a multi-aspectual issue. But I believe that the main obstructions concerning these payments are being created at the top. The nonpayments are like a clot in a

blood vessel. They have arisen in one or two places, and the entire organism will be paralyzed.

I shall explain this by the example of the peasants. They collected the grain, gathered in the harvest, but money has not been paid the peasants. And this has gone on down the line. There is no money, they can no longer purchase trucks and combines. The machinery for the manufacture of trucks and combines has been halted. All of agricultural machine building has been paralyzed. Not to mention fertilizer, we are working the land to exhaustion. And Minister Fedorov was adamant: No, we will not provide any money. This is a simply a violation of the elementary requirements of common sense.

YU. ALEKSANDROV. I would like in literally two words to dwell on the nonpayments problem. This is an extraordinarily complex problem, all the same. Chernomyrdin is still holding back money even now. Because there is none. After all, the nonpayments problem was born in various ways. Take agriculture, say. Yes, of course the harvest needs to be paid for. But, Aleksey Mikhaylovich, you will surely recall how the idea of the government contract arose, when essentially very high prices for grain were promised. I do not know how this decision was born politically. But there are, in any case, two points here. The first is that the state tied itself by its undertaking to pay unduly high prices. And that the agrarians, for their part, failed to offer a clear program of the reorganization of inefficient farms.

A. YEMELYANOV. You are wrong as regards the very high prices. They are still artificially low even now. But even this is not the point. It is something else that is of fundamental importance: If you purchase grain, please be so kind as to pay, not drag out the payment for many months, when the money "dries up" before one's eyes. And, in addition, the present leadership has as a result found itself in a very difficult situation. After all, it has to pay off the debt to the peasants and, in addition, allocate credit for the spring sowing, for the new harvest, which, incidentally, is being done. And here we have a surge of inflation. Sins that go back to last year are having to be paid for. This is why the need for personnel shuffles arose. This is the correct position of both the prime minister and the president.

Struggle for Power as an End in Itself

L. KRAVCHENKO. Aleksey Mikhaylovich, listening to you, I came to think that there was something symbolic in these personnel shuffles. Perhaps we are finally coming to the conclusion that we can no longer put fate to the test, allowing politics undivided sway, allowing politics to rape, if you will excuse the expression, economics. It has long been clear that priority should be given economics, where everything is dictated by common sense and precise business calculation—economics free of political predilections. The more the politicians understand this truth, there more chances there are that economics will be given priority, not the struggle for power.

For the sake of salvation of the economy, salvation of the country, it is, perhaps, time for all political forces to seek accord and to unite their efforts.

A. YEMELYANOV. I agree. Continuation of the struggle will bring about self-destruction. I would draw, conditionally, an analogy with the former Union republics. After the 1991 putsch they all wanted full sovereignty. But time has elapsed, and many of them have recognized that you cannot survive alone. I am afraid to oversimplify this question, but there are things in common. There is not one political force that is currently capable of getting the better of the others independently. A trend toward a certain convergence is probably inevitable, therefore. These processes, despite all the difficulties, are occurring here in the Duma also.

V. SHEYNIS. It would be correct to conclude that the struggle for a new course of the reforms has become interwoven here with the struggle for power. Struggle for power as an end in itself. Particular clans, some of which identify with the democrats, others, with their opponents, have taken shape, since 1989, at least. And in each case it is not simply for one clan but for several that power is a value in itself, and which are struggling to establish their control of power and property.

YU. ALEKSANDROV. I now have the impression that the conditions for the achievement of social accord are better. At the same time, on the other hand, political forces are, truly, grouping in the struggle for peace, primarily for the presidency. And quite a wide-ranging bloc of forces opposed to Russia's Choice in the struggle against the current president and for early elections is possible here, what is more. This could inflame the situation.

I see a further danger in the fact that the state is becoming bureaucratized very quickly and that its machinery is growing unchecked. And the state is in this sense once again becoming divorced from the people and is perched, so to speak, on its own machinery, on a bureaucratic foundation. This is perceived very strongly in society and is being reflected onto the democrats, who are being identified with the state.

The growth of nationalism, which is preventing a strengthening of accord in society, is very troubling. It is encouraging, it is true, that there have already been examples of the successful resolution of most complex contradictions, as was the case in the elaboration of the treaty with Tatarstan, and there is now hope of a start on an improvement of relations with Chechnya.

A. KIVA. I also share the belief that the efforts to achieve civil peace today are far more auspicious than was the case earlier. If we recall last year, particularly the unyielding antagonism that developed into diarchy, the opposition had at that time a hope of revanche. They only needed to overthrow President Yeltsin, and they could have expected to have turned the ship of state in another direction. This is no longer the case. *De jure* we are living in accordance with a new constitution, *de facto*

also, to some extent. The soviets are no more, and it came as a surprise to us to find that these soviets were not that deeply rooted. And, besides, a certain balance of political forces has taken shape. No one has the clear advantage. There is no temptation to resort to manifestly power solutions.

Evil Disappears With Satiety

L. KRAVCHENKO. Do you not think that one of the main prerequisites for the achievement of accord and civil peace would be the imparting of a socially attractive character to the economic reforms. It is said that evil disappears with satiety. I do not wish to oversimplify the problem. No one either in the present or the past government would have refused to have channeled more resources into social programs. But there were no reserves. Nonetheless, monetarist projects are inadequately oriented toward man and his concerns and needs. After all, the more poor and destitute people there are, the broader the social base for the opposition and the greater its chances of election success. This was clearly understood by the president, I believe, when, in his report to parliament, he put more emphasis on social policy and subsequently issued an edict geared to combating the delays in the payments of wages and pensions. Instances of enterprises deliberately having kept money in accounts in order to "rotate" it via the banks have already become known. The directors are at every step establishing for themselves wages of several millions, while the workers get 50,000-70,000. This multiple discrepancy in pay is sending people into a rage.

I would like to emphasize, that is, that despite all the difficulties there are real opportunities for strengthening the social content of the economic reforms. Do you agree with this formulation of the issue?

A. YEMELYANOV. There is no doubt that any reform should one way or another be passed through the prism of man. What happened was that we cast aside social regulation rushed recklessly into the market, and began to transfer everything absolutely to a commercial basis. Health care and education and science and culture.... It is here primarily that an adjustment is needed lest we conclusively kill off that which is healthy that has developed and in order that we rectify all this distortion. Otherwise we democrats will simply lose in the future: at both the presidential and parliamentary elections.

A. KIVA. I once published an article entitled "Postcommunist Syndrome." It said, *inter alia*, that we have a passion for doing everything other than the way it was done under the socialist system. Even that which is good that should have been preserved—the social sphere, medicine, the health and fitness centers, the recreation centers, children's establishments—everything has been uprooted. This, unfortunately, is a trait of our national character, it is Bolshevism of the first water. We rushed over to one side, and the pendulum swung to the other.

YU. ALEKSANDROV. There are contentious aspects here also. What is meant by socially oriented reforms

under our conditions? Production is declining. Everyone is short of money. There is not one sector that is not in need of credit. If we halt the landslide in production and if we all start to work better—everyone without exception—general prosperity will begin to grow also. Meanwhile, I believe that it may rather be a question of smoothing over as much as possible the negative social consequences of all the structural and other reorganizations.

L. KRAVCHENKO. I would like to touch on one further topic. Society was recently agitated by the amnesty that was announced. Many fears have arisen: Khasbulatov, Rutskoy, Anpilov, Konstantinov, and Makashov have been set free and they will rush into the fray and will want revanche. All kinds of inventions have arisen also. The amnesty plays, allegedly, into the hands of the president, who does not want any investigation of the tragic White House events. And the amnesty was all but a result of a compact between the president and the leaders of the Duma. This, in any event, is what Gavril Popov has openly hinted at in his speeches.

A. KIVA. I have not shared the panic fear that has arisen in the democratic community in connection with the amnesty. This is an ambiguous event, of course. There are big minuses here, but there are pluses also. When the smoke had cleared, for example, it was ascertained via opinion polls that many of Zhirinovskiy's supporters had gone over to Rutskoy. Zhirinovskiy had a 6 percent rating, Rutskoy, 5 percent, apparently. There is much that could still change. This does not mean that Rutskoy is for the country an acceptable figure as president, but every cloud has a silver lining, as they say.

And a second point. However paradoxical, this amnesty has, perhaps, boosted the aspiration to accord and revealed that not all questions were solved in essence on 3-4 October. We need, therefore, to be viewing matters in a broader perspective more than simply thinking about the losses the amnesty caused.

A. YEMELYANOV. If the upsurge of social protest in society grows the amnesty could prove to be to the benefit of the united opposition. The leaders of the radicals were released, but the question of an assessment of what they did has remained unexplained. There have on their part been no words of repentance or, at least, regret. True, the State Duma is as yet examining certain documents supplementary to the amnesty decree, intending smoothing over some of its negative consequences.

Heed the Advice, Democrats!

L. KRAVCHENKO. It is evidently time to "round out" our discussion. I would like in conclusion to ask whether you have suggestions concerning an increase in the chances for a strengthening of civil peace and accord. Your personal suggestions....

V. SHEYNIS. I have specific advice addressed to the democrats: what they should do first and foremost.

First. Clearly understand the actual possibilities, content, and limits of so-called accord. Do not allow yourselves to be carried away by rhetoric. Accord under the specific conditions means three things, in my view. First, the renunciation of forcible action and unconstitutional solutions, whatever the constitution and whatever the attitude toward it.

Second. Undertake corrections of the economic course.

Third. Uphold your positions on the criminal and civil codes, the election system, the Referendum Act, and so forth.

Fourth. Firmly defend the foundation of the reform course. Corrections are essential, but let us pay tribute to the courage of Gaydar and his team, who pushed the ship away from the shallows. Got it moving and created a new economic situation. We need to understand here the difference between our interests, the interests of the people and society, and the interests of the new nomenklatura, which today calls itself democratic, but which is deciding its own power and property interests. It is essential to clearly understand this.

And **fifth** and finally—patiently build up an election organization. For parliamentary elections are impending at the end of 1995 even, then come presidential elections in 1996. It will be necessary to prepare a leader and prepare organizations. This, in my opinion, is today a most important task because the two years will fly by extraordinarily quickly.

A. KIVA. I largely agree with Viktor Leonidovich. The question of the team of reformers and of ways of continuing the reforms is urgent today. The opposition is demanding the creation of a coalition government. This is a difficult question, but we have a coalition government even now. On the other hand, we cannot oversimplify matters to such an extent as to conceive of a government with the participation of, say, Gennadiy Zyuganov, Vladimir Zhirinovskiy, Gleb Yakunin, and Yegor Gaydar.

To a considerable extent civil peace and accord are guaranteed by the president personally. He is required to do so by the constitution. But I would like to hope that both he and the government would regularly confer with the people. Seek, if you wish, their consent to this step or the other that affects society's living standards. Do not disregard public opinion and consult with people more often, speaking on television and radio and in the press. Explain to them your policy, do not conceal difficulties. Lift this depression and lack of confidence in the future, when it seems that no light can be seen at the end of the tunnel. This might then be repaid a hundredfold.

Metropolitan Ioann on Accord Group
944F0509A Moscow SOVETSKAYA ROSSIYA
in Russian 26 Mar 94 pp 1, 3

[Interview with Ioann, metropolitan of St. Petersburg and Ladoga, by Valentin Chikin, chief editor of

SOVETSKAYA ROSSIYA; place and date not given: "Let Us Put a Stop to the Discord"]

[Text] **V. Chikin:** Your Grace, I often have to address the most diverse audiences—in terms of age, in terms of social composition, in terms of political views. In addition, I regularly familiarize myself with the extensive readers' mailbag. All this enables me to conclude that the role of the Russian Orthodox Church in our life is becoming increasingly material. This is connected to a large extent, I believe, with your efforts for the spiritual, Orthodox-patriotic enlightenment of society, the revival of Russian national self-awareness, and the preaching of mercy and love, righteousness and piety.

In our society today, which is rent by discord, there are many forces that would not be averse to portraying the church as their political ally. It is sufficient to point to the efforts being exerted for this by the present ruling regime. You, Your Eminence, despite your clear civic, patriotic position, have until recently rejected all suggestions that you link your name with any political force whatever. You were always above this. But quite recently you responded to our request and blessed the initiative of certain politicians, journalists, and cultural figures who announced the creation of the broad public movement Accord in the Name of Russia. It is the first time that a man of the church of so high a rank has "intervened in politics," on the side of the "center-left opposition," what is more. What prompted you to make this decision? Are you not afraid of charges of political intriguing?

Metropolitan IOANN: I fear no charges. It is important that I keep my conscience clear before the impartial Day of Judgment, but the common talk of man does not frighten me—it is transient, frivolous, and rash. As far, however, as my "intervention in politics" is concerned, things need to be made clear here in order to avoid possible misunderstandings. I am, as before, free of any party predilections whatever. This goes against the grain for many people. The news media have repeatedly pronounced me at times a communist, at times a nationalist, at times (as soon as they could bring themselves to say it!) a fascist even and pogrom instigator, virtually. There is nothing surprising in this for the stern words of ecclesiastical understanding and paternal arch-pastoral denunciation are pleasing to far from everyone in the present lacerated Russia. Black-hearted people are endeavoring to evade the expository light of Christ's truth and ecclesiastical grace. Evil, generally, cannot stand the truth and always attempts to debase and calumniate it. But we must not give way to despair. The Lord said in Holy Scripture: "Blessed are ye when men shall revile you and persecute you and say all manner of evil against you falsely, for my sake. Rejoice and be exceeding glad for great is your reward in heaven..." (Matthew, 5, 11)

I consider it essential to emphasize that I do not distinguish between "right" and "left," "liberals" and the "supporters of strict authority." I endeavor merely, to

the best of my abilities, to distinguish well-intentioned people sick at heart for the profaned motherland from the ill-intentioned destroyers who have reduced my unhappy country and my kind-hearted, trustful people to the shame in which they now find themselves. While being outside of politics, the church cannot, for all that, be outside of society, outside of life, pretending not to notice the orgy that has been put on in Rus by Christ-haters, corrupters, and Satanists of various stripes. So I did not bless the "opposition" as such for I am not a politician. But, on the other hand, I joyfully blessed the pious intentions of people who appealed to me for support and assistance. After they had said to me: "Your Eminence, Russia is dying. Bless us, we wish to make every possible effort to halt this monstrous process and revive our common fatherland in the strength and glory of its past grandeur"—some kind of Russian Orthodox archbishop I would have been had I refused this blessing.

For the first time leaders of an influential political grouping appealed directly for benediction and spiritual support to the church hierarchy. And this invests all of us with a great deal of responsibility. Although I am not so naive as not to understand the entire complexity of the current apportionment of forces, ascribing to myself some special role. In addition, the events of "Black October," when the church was cynically used as a screen by political intriguers conducting under the cover of the negotiations at the Danilov Monastery preparations for a large-scale provocation, taught all of us a thing or two. So it needs to be said clearly that the archbishop's blessing is given for selfless, sacrificial labor in the name of salvation of the dying fatherland, the unification of all healthy forces of society, an end to the discord, and for spiritual devotion, not political games, backstage machinations, and the struggle for office.

The main thing today is to find the ground for unification, not allow oneself to be pulled into another bloody "showdown," and to ensure the evolutionary, predictable development of events in the country. I believe this to be the sole possible path, which should be taken jointly by everyone: the government and parliament and the opposition and the "power party." No one should ever be accused indiscriminately, en masse. I am convinced that the vast majority of politicians, wherever they are—in the structures of the executive, legislature, or judiciary—could reach agreement if they could isolate themselves from the baneful influence of extremism.

V. CHIKIN: This is true, nonetheless, we cannot close our eyes to the fact that the politicians, like society as a whole, are today considerably disunited. Each has his own view of the causes of the present drama, his own prescription of a way out of the crisis, his own circle of followers. On the one hand this creates favorable soil for compromise for the most sober-minded and farsighted are beginning to understand that under the current conditions no one can cope with the general problem alone and that the alternative to broad patriotic unification can only be chaos, an intensification of the discord, and an endless succession of "Praetorian" palace coups.

But, on the other, there is always the temptation to emphasize one's own exclusiveness and significance. What, in your view, should the unificatory platform be?

Metropolitan IOANN: We should be united first and foremost by the danger of general perdition, seeing the growth of the trends of disintegration of Russia's millennial sovereign statehood. We should unite on the basis of our centuries-old holy places, moral and civic values, and fidelity to the best traditions of Russian history and culture.

Unfortunately, certain present extremist reformers, who have inherited the worst traits of the terrorist—"Bolshevik"—self-awareness, have already cost Russia incredible sacrifices and are moving in the direction of the creation in our country, which is rapidly becoming destitute, of a power monstrous in its cynicism—corrupt and uncontrolled and concealing behind pseudo-democratic rhetoric utter scorn for the laws and a single-minded aspiration to dictatorship. Their unchecked, heedless, and irresponsible experimenting has brought our motherland to the brink of state, economic, political, and spiritual catastrophe.

But an end must be put to the omnipotence of the petty politicians who have ruthlessly crippled Russia beneath the demagogic "Reforms at any price" slogan. The death of the country must not be the appalling price of the arrogant aspirations of a handful of power-lovers. It can be averted solely, however, on the path of a responsible and thorough search for ways of national reconciliation and the mobilization of all healthy social forces prepared in the name of the fatherland to rise above their opportunist mercenary interests.

The basis of this unification should be a comprehensive and integral patriotic ideology designed to revive in society the flouted sense of national dignity and cleanse the mass consciousness of the legacy of group and class enmity, state and religious nihilism, and aspirituality and amorality. The undoubted priorities in this sacred cause of the reconstitution of Greater Russia as a healthy, conciliatory organism, responsible component of the international community, and most important guarantor of geopolitical balance in the world are the restoration of the historical continuity of its development; reunification of the artificially disarticulated Russian people and the reconstitution of the conciliatory trinity of Great Russians, White Russians, and Little Russians; and the strengthening of all moral-religious foundations, which from age to age inspired our valorous forefathers to endeavors for the good of the beloved fatherland.

In addition, it is vitally necessary today to ascertain and support a responsible and authoritative political leader who can rally the nation, having harmoniously and constructively united the efforts of all who sincerely take to heart the country's fate. Only such a leader may be a real guarantor of national accord, rein in the growing chaos in the economy and the turmoil in politics, emphatically and commandingly introducing to the life

of society a strict legal framework and having excluded violence from the arsenal of political struggle, standing "above the fray" in the role of peacemaker and impartial judge, not provocateur and instigator.

It should be understood, of course, that we are all faced with an unprecedented historical choice threatening Russia with the chaos of collapse and a slide into the abyss of historical nonexistence. We need to recognize the far-reaching complexity of the tasks of revival confronting a society rent by discord. Grant us, Lord, the patience, courage, and faith necessary on this onerous path....

V. CHIKIN: The opposition has been attempting for several years now to formulate a patriotic ideological platform which would be a foundation for the joint actions of all healthy forces and has invariably failed. All this ends in its basic ideas ultimately being intercepted and used with ill intent by our political opponents. Could you, Your Eminence, indicate if only the general features of the ideology of a Russian revival capable, in your view, of imparting to all of us the necessary creative, unifying impetus which Russia is lacking today?

Metropolitan IOANN: Politics is today, unfortunately, chiefly a sphere of the operation of human passions, a sphere of the clash of ambitions and desires, a field of the domination of the love of power, vanity, and pride. Politicians are failing to formulate a common "ideology of revival" because they approach this matter in exclusively opportunist fashion, regarding such ideology as a mechanism of the control of society, not as the result of profound, conceptualized, and substantiated convictions arrived at through much suffering. Everyone wants to have an ideology "for himself" and is prepared for any artificial manipulations, provided that he stand out from the common herd. I speak of this not in condemnation but in sorrow for it is the present discord which is the result of this approach. It remains only to wait and hope that with God's help common sense ultimately prevails, for all that, over personal ambitions. The Accord in the Name of Russia affords such a hope.

As far, however, as the availability of an ideological platform suitable for Russia's revival is concerned, it does, of course, exist. And, what is particularly important, there is no need for it to be specially devised or artificially designed. It is necessary only to avail ourselves of the giant spiritual experience which the Russian people have accumulated in the time of their sovereign existence. After all, it is perfectly obvious today even that the reviving Russian national self-awareness is gravitating in all parameters toward the fullest possible restoration of the historical continuity interrupted in the 20th century by a whole series of devastating military clashes and powerful social cataclysms.

Despite, however, the catastrophic nature of Russian history, Russia has thus far ultimately emerged from all upheavals and discord even stronger than it was before

they started. The unique spiritual qualities of the Russian national-religious self-awareness has contributed primarily to this course of events.

For many centuries it has been based on three fundamental philosophical archetypes. The first—the archetype of sovereignty—has traditionally appeared in the mass consciousness as the **ideology of Russian imperialism** presupposing conviction as to the universal peace-making role of Russian statehood. As distinct from its West European brethren, Russian imperialism was never of an aggressive nature, militarist even less. Its underlying slogan: "Moscow is the third Rome," postulated an understanding of the empire, the state, as the optimum state form for the spiritual—religious and cultural—development of society in accordance with the moral imperatives of the Christian religion.

The sovereign might of the state was not regarded as an end in itself here but merely as the means of the protection and defense of the traditional values and objects of worship of national life.

The second archetype of Russian self-awareness—the archetype of conciliarism—takes the form of an **ideology of Russian nationalism**. And once again, in contrast to aggressive European nationalism, this ideology was in Russia always of a conservative-protective, peacemaking nature and paternally protective in relation to the small peoples living in Russia. Its foundation was the unreservedly just assertion that it is the Russian people (taken in their triune conciliatory fullness together with Little Russians and White Russians as a spiritual, not only ethnic, community) who are the most important custodian of the sovereign consciousness, pillar of Russian statehood, and its dependable guard.

The third, most important, profound, and ancient, archetype of Russian self-awareness is firmly connected with Orthodox ecclesiasticism and is formalized philosophically in the **ideology of Russian religious messianism**. Its development was the natural result of the ineradicable impact made by the Orthodox Church on the entire system of Russian being—eternal, family, social, and state. The basis of this philosophy is the belief that the highest, providential duty of the Russian people—the "Chosen People"—is the obligation to preserve the dogmatic and moral ideals of Christianity and to carry them undefiled through all obstacles, misfortunes, and disasters. This ideology, just like the first two, is of a clearly expressed introverted, that is, nonaggressive, peaceful nature.

It was these three philosophical archetypes that were reduced to one in the Russian slogan "Orthodoxy, Autocracy, People," which remained the social slogan of Russia right up to the 1917 revolution. It is they—in updated, modern form—that should be made the basis of the new, reviving Russia, which will combine within it all that is best that was cultivated by Russian life both in ancient times and in the recent past....

V. CHIKIN: But today many of the concepts among those about which you have been speaking are being earnestly discredited by the news media. Could they consolidate a mass consciousness still subject to the powerful influence of television rot?!

Metropolitan IOANN: First, I do not insist on some definite terms: What is important is the essence, not the name. Second, a real ideology of Russian revival should be geared to the long term. We need to know how to wait because, after all, it will take time for our national self-awareness to return to its natural forms. Even the branch of a tree weighed down by a heavy load does not straighten immediately. One thing can be said for sure: The process of Russian revival is today under way tumultuously, its direction has been determined, and any political force that dares to ignore this is doomed to vanish from the Russian front stage in the coming years even.

V. CHIKIN: But such a natural process could be interrupted at any moment. Does not the dreadful example of the October carnage in Moscow confirm this?

Metropolitan IOANN: It confirms precisely the opposite for, despite the Black October and the forced brain-washing before the December elections, their results confirmed the powerful national-patriotic shift that has occurred in public opinion as of late. I believe, incidentally, that the Accord in the Name of Russia initiative is to a considerable extent the result of a general burning need for a unification of efforts in order to prevent extremists and provocateurs availing themselves of the fruit of these processes. It is not, after all, a question of which office one occupies but of the first outlines of the truly constructive interaction of very dissimilar people beginning to emerge. I, in any event, will make every effort to ensure that this be the case for I see this as an opportunity to contribute the best I can to the conciliation of suffering Russia and the achievement of the national accord and civil peace so desired by us all.

Directive, Statute on Presidential Representative in Federal Assembly

*944F0529A Moscow ROSSIYSKAYA GAZETA
in Russian 1 Apr 94 p 4*

[“Directive of the President of the Russian Federation”]

[Text] In accordance with Edict No. 165 of the President of the Russian Federation of 18 January 1994 “On the Authorized Representative of the President of the Russian Federation”:

1. To confirm the appended Statute on the Authorized Representative of the President of the Russian Federation in the Federal Assembly.

2. To form the staff of the authorized representative of the president of the Russian Federation in the Federal Assembly as a structural subdivision of the Office of the President of the Russian Federation.

The leader of the Office of the President of the Russian Federation shall confirm the permanent numbers and structure of the staff of the authorized representative of the president of the Russian Federation in the Federal Assembly.

3. To entrust transport service and the general provision of amenities for the authorized representative of the president of the Russian Federation in the Federal Assembly to the corresponding structural subdivisions of the Office of the President of the Russian Federation.

[Signed] B. Yeltsin, president of the Russian Federation
30 March 1994, No 163-rp.

Statute on the Authorized Representative of the President of the Russian Federation in the Federal Assembly

I. General Provisions

1. The authorized representative of the president of the Russian Federation in the Federal Assembly (hereinafter, authorized representative) shall ensure realization of the constitutional authority of the president of the Russian Federation in the chambers of the Federal Assembly.

2. The authorized representative shall be guided in his activity by the Constitution of the Russian Federation, the laws of the Russian Federation, the edicts and directives of the president of the Russian Federation, and this statute.

3. The authorized representative shall be appointed and dismissed by the president of the Russian Federation in accordance with a recommendation of the leader of the Office of the President of the Russian Federation.

The authorized representative shall be the ex officio deputy leader of the Office of the President of the Russian Federation.

II. Functions of the Authorized Representative

4. The authorized representative shall exercise the following functions:

present draft federal constitutional laws concerning a revision of provisions of the Constitution of the Russian Federation and the inclusion therein of amendments made by the president of the Russian Federation at sittings of the chambers of the Federal Assembly;

present other bills submitted by the president of the Russian Federation at sittings of the chambers of the Federal Assembly;

present at sittings of the chambers of the Federal Assembly substantiation of the president of the Russian Federation's rejection of adopted federal laws;

present at sittings of the chambers of the Federal Assembly candidates for the offices specified in clauses

a, d, f, and m of Article 83 of the Constitution of the Russian Federation proposed by the president of the Russian Federation;

present at sittings of the Federation Council of the Federal Assembly edicts of the president of the Russian Federation on the imposition of martial law and the imposition of a state of emergency submitted for approval;

enlist following consultation with the chambers of the Federal Assembly for the presentation therein of bills submitted by the president of the Russian Federation officials of the Office of the President of the Russian Federation and the Government of the Russian Federation and also the drafters of the bills, scholars, and experts;

participate in reconciliation procedures employed by the president of the Russian Federation in accordance with part one of Article 85 of the Constitution of the Russian Federation, in which deputies of the chambers of the Federal Assembly participate.

III. Rights of the Authorized Representative

5. The authorized representative shall be entitled in the exercise of the functions entrusted to him:

to reconcile draft prescriptive enactments to be presented to the chambers of the Federal Assembly;

to obtain the necessary material and information in the structural subdivisions of the Office of the President of the Russian Federation;

to create expert and working groups in individual areas of his activity and also enlist scholars and experts, on a contractual basis included, for assistance in the realization of his functions;

to avail himself in the established procedure of informational data banks of the Office of the President of the Russian Federation, the administrative system of the Government of the Russian Federation, the federal executive authorities, and the organs of state power of the components of the Russian Federation.

IV. Support for the Activity of the Authorized Representative

6. The activity of the authorized representative shall be supported by a staff created with the status of department of the Office of the President of the Russian Federation.

7. The staff shall:

provide for the interaction of the authorized representative with committees of the chambers of the Federal Assembly and factions and groups of deputies of the chambers of the Federal Assembly;

formulate proposals and recommendations for the authorized representative;

provide for the interaction of the authorized representative and structural subdivisions of the Office of the President of the Russian Federation for the purpose of support for bills submitted by the president of the Russian Federation and the realization of his right of legislative initiative.

The structure and authorized numbers of the staff of the authorized representative and also estimates of its representative expenditure shall be approved by the leader of the Office of the President of the Russian Federation at the recommendation of the authorized representative.

8. The leader and the employees of the staff of the authorized representative shall be appointed and dismissed by the leader of the Office of the President of the Russian Federation at the recommendation of the authorized representative.

Zyuganov's Tactics Weighed

944F0514A Moscow MOSKOVSKIYE NOVOSTI
in Russian No 12, 20-27 Mar 94 p A7

[Article by V.L.: "Friends in Abuse of the Regime: This Is How the Communists Themselves Have Defined the Most Important of Their Party's Occupations"]

[Text] The very phrase "material of a Central Committee plenum" evokes bad memories in journalists with pre-perestroika experience. But the 45 seats of the communist faction in the Duma and the 400,000 circulation of SOVETSKAYA ROSSIYA compel, whether we like it or not, an entirely serious attitude toward plenums of the communists. In addition, when the red chiefs—Chikin, Zyuganov, and Tuleyev—consolidate, creating a new movement with the participation of Govorukhin and Glazyev, this also is reason to once again ask: Who are the communists today, what are they doing, how does their internal program differ from the street slogans?

Those who have not forgotten the red banners at the White House and Ostankino in October would be pleasantly surprised upon reading the material of the recent plenum of the Communist Party of the Russian Federation Central Executive Committee. The communists advocate conversion, a fight against crime, and a national information space. No one is summoning anyone to the barricades, on the contrary, the current contradictions may be resolved only by the nonviolent path under conditions of civic peace. In addition, party leader Gennadiy Zyuganov is calling for the "open and honest adoption of the so-called 'local concerns theory.'"

Painting the portrait of his organization, Zyuganov is altogether critical in a manner that is not communist. Even earlier it might have been suspected that the Communist Party of the Russian Federation was mainly a party of retirees, whose primary cells it was easiest to create under the auspices of district social security departments. The report confirmed this impression. "The age and social composition of our primaries do not

yet correspond to the requirements of the times.... Exclusive party groups and restrictive party activities frequently become a venue for the like-minded in their narrow circle to unburden themselves, abusing the current regime, and are essentially a means of psychological release, not psychological mobilization. And several levels higher—street demonstrations which are also of practically invariable composition and are increasingly amounting to the role of psychological safety valve as well."

Do not be deluded by the "local concerns theory" and the "age composition of the primaries": Even at the present time the Communist Party is preparing—in a coalition, it is true—to enter into control of the state. It is obvious that the Communist Party of the Russian Federation will, for all that, be seeking support not in the district social security departments but among the agrarians and miners, having caught very precisely the demands of certain strikers for early presidential elections.

Mention has been made repeatedly of the political plasticity of Gennadiy Zyuganov. In the eyes of some he is a socialist, for others, a hard-line Leninist communist. The present report identifies Zyuganov's approach to the future presidential elections. It is clear to the communists that the present president should not take part in them. But it is important and not, I believe, out of the question for those who voted for the Communist Party of the Russian Federation that Zyuganov would not like to see Rutskoy among the candidates either. "After all, the amnesty was adopted," Zyuganov argues, "to ensure the most painless possibility of the departure of all politicians who wittingly or unwittingly dragged the country into chaos and fratricide."

Nor would the leader of the communists care to have Zhirinovskiy as a competitor either. Without naming Vladimir Volfovich directly, Zyuganov warned the communists against some "social messiah" capable of creating in society "a belief in simple and most rapid solutions for all problems."

As ensues from the plenum material, the leaders of the communists feel more lively and confident in the Duma than in a dialogue with their own party. By all accounts, the sole solution for political survival is an attempt to create some mass movement of the left. It cannot be ruled out that the name "communist party" will be buried en route. Otherwise with the inevitability of the change of seasons the present communists will be quitting the political highway together with the generation which they, mainly, represent.

Liberalism's Failure Discussed

944F0511A Moscow ROSSIYSKAYA GAZETA
in Russian 29 Mar 94 pg 1, 2

[Unattributed article under the rubric "Topic of Current Interest": "The Kind of Liberals We Are"]

[Text] Yegor Gaydar called the adjustment of reforms—which became inevitable in the environment of disastrously mounting nonpayments that threatened to bring about the collapse of our economy—a "new course." However, Gaydar apparently had not surmised yet that the "new course" would also signify the bankruptcy of Russian liberalism as the philosophy of the reforms that were implemented on his initiative. "The Moor has done his work"—liberalism has performed its "fire brigade" function, dealing a lethal blow to the command economy and opening the floodgates to the elements of the market, and something else should take its place.

They Are Fighting 'Against' Rather Than 'For'

The picture of a party buildup which was undoubtedly stimulated by the parliamentary elections, or more precisely their results, appears to be getting clearer. It is as if everybody suddenly understood that it is difficult to win elections without parties, without their local structures. Unlike what some prominent democrats maintained, referring to completely different conditions—those of a stable society with a structure of long duration, and of an American rather than European type—parties have not at all become a matter of the past. The struggle "against" still prevails.

However, what is noteworthy here? The fact that parties of a democratic hue, whether newly built-up or transforming into some kind of new quality, are still more disposed to fight "against" rather than "for." Along with other causes, this is the effect of the previous stage of the struggle, when the strategy of the entire democratic movement was built on the basis of the "against" principle—against the omnipotence of the CPSU, against real socialism, against "the Red empire," and so on.

I am trying to understand the new platform of the Russian Movement for Democratic Reforms (RDDR). As is known, it suffered an unequivocal defeat in the elections, failing to make it over the 5 percent threshold. What conclusion have its leaders drawn? Gavril Popov says: "Indeed, I understood as early as after August 1991 and the choice of a new course that voters would flee from the fronts of the government, that a backup line needed to be built which would stop them from fleeing and draw them toward itself.... However...we put this backup line too close. People ran past not only us but also Volskiy, Travkin, and even the Russian Communist Party—they ran all the way to Zhirinovskiy."

What does this mean if we decipher it? It means that the RDDR should have taken up harsh opposition with regard to the ruling reformers. At the same time, yet another RDDR leader, Anatoliy Sobchak, stressed: The movement should be based on a commonsense policy and become a genuinely liberal party. If that is so, what is liberalism about? About criticizing the government in a parlance approximating that of Zhirinovskiy? In particular, the liberalism of the RDDR, as interpreted by Popov, began to merge not only with a confrontation

with the government but also with anti-Westernism (genuine or affected); patriotic and populist notes began to be heard in it.

Neither the PRES [Party of Russian Unity and Accord] headed by Sergey Shakhrai nor the "Apple" in which Grigoriy Yavlinsky sets the tone can be called liberal in the strict sense of the word, although they undoubtedly include typical liberal democrats. However, they have the already mentioned preponderance of "against" motives in common with the RDDR. For some, it is against the president and the government, for others, it is against Russia's Choice.

The most powerful democratic bloc, which is currently being transformed into the Russia's Choice party headed by Yegor Gaydar, is perhaps the most liberal of all blocs and parties: putting its stake on owners; market liberalism, and in a sense even market romanticism; an ode to the bourgeois (in the favorable meaning of the word). The preelection slogans of "Liberty," "Property," and "Legality" are typically liberal. However, recently the weight of arguments "against" has also increased sharply in this quarter. This has happened due to the emergence of a new front in the struggle—against the government of Viktor Chernomyrdin, present and past colleagues of Yegor Timurovich who do not share his views on the progress of reforms.

What Ideals Do We Defend?

Liberal democracy Russian-style is, in a way, a thing unto itself. Those who view our indigenous liberalism in conjunction with, say, Western analogs will certainly end up at an impasse. For example, when we now refer to the liberal intelligentsia, the liberal opposition, and so on, we frequently mean the phenomenon to which Dostoyevskiy referred in his time and which is characteristic only of us. The great writer and philosopher emphasized this: "Our entire liberal party (the segment of the public with a liberal disposition—note by A.K.) has passed the endeavor by, without participating in it or touching it; the party merely negated and giggled."

We have many liberal democrats who are only capable of making mischief and ridiculing anything and everything as they view the events in the country following August 1991 from the sidelines, looking down on them, not participating in real politics and the affairs of the country in a positive way but merely "negating" and "giggling," poisoning everything with pessimism and hopelessness and spreading the catastrophic sentiment. We also have those who, no sooner had they touched upon the real endeavor than they got burned and dropped it, cursing everybody and everything. They are liberal maximalists. Since it has not gone their way, may the fires of hell consume everything.

A version concerning the so-called conspiracy which has stirred up our society also indicates that Russian liberalism is a special phenomenon. It was clear from the very beginning that this was a provocation. But who brought it into the world (let us for now ignore the issue of the

sponsor), who launched it, and who advertised it most extensively? Our liberal democrats from the mass media. For some reason, Yegor Yakovlev resolved to publish the version in *OBSHCHAYA GAZETA*, and for some reason, Yevgeniy Kiselev considered it feasible to first familiarize tens of millions of TV viewers with it through "Itogi" on the Independent Television channel, and to subsequently endow the idea of a "conspiracy" with a certain credibility in a string of other "conspiracies" in yet another edition of "Itogi," using to this end Dmitriy Furman and Aleksandr Minkin.

This is yet another example of how representatives of the liberal intelligentsia, in a rather traditional manner, benefit the forces of counterreform and the adversaries of democracy by rousing our society and spreading the catastrophic sentiment. We ourselves provoke, and fertilize the soil for the appearance of Zhirinovskiy, and we ourselves are later overcome by hysteria and panic, naturally blaming the authorities for everything. We truly do not know what we are doing.

Putting it plainly, the rallying ability of liberalism is poor. For a long time I failed to understand why the leaders of our democracy did not get around to explaining to people what kind of society we wanted to build, what our new ideals were, and so on. After all, our fellow citizens may be suffering even more from uncertainty, lack of confidence in the future, and what to them appears to be hopelessness than from economic hardship.

Later, I understood that raising the issue in this manner is in principle unacceptable to them (the liberals), it sickens them. Are any additional explanations needed, given that we live by the laws of common sense, that the market economy will sort everything out, and that the mechanism of a rule-of-law state has been set in motion? Either an excessive workload or some other cause is preventing the fathers of our liberal democracy from recalling that even the most liberal society, for example the American, needs slogans and lofty ideals which mobilize and rally the citizens. They do not shun patriotism or spit upon the state.

Since liberalism hardly has a clearly mapped-out positive social ideal at all (apart from generalities concerning property, legality, and so on), and since it shuns notions such as "patriotism" and "statehood," and treats even the notion of social justice as cheap social populism, it—liberalism—cannot become a foundation for rallying democratic forces.

The camp of liberal democrats is doomed to disintegration under pressure from real life. We observed this after August 1991, during the period between 21 September and 3-4 October, and on the eve of the elections; we are observing this now. There is no theoretical, ethical, or any other foundation on which the democratic forces could rally, except for the fear of a return of totalitarianism. All appeals to those whom we associate with democratic parties, blocs, and so on, not to feud or

splinter, and instead to rally and unite—they are all a waste of time. A common platform should be developed first, or at the very least the scope of common interests for the struggle "for" rather than "against" should be determined.

Everything in Its Proper Time

It would be incorrect to say that Russian liberalism is alien on our national soil. Liberalism is rooted in Russian history—in social thought and movement. It is inseparable from the "superfluous people" and "Westernism." Indeed, the dissident movement which always considered the Western type of democracy and public life in general to be its model certainly was a mighty source of liberal ideas.

Undoubtedly, the sudden "flare-up of love" for the West, the United States in particular, as a response to the hatred artificially fueled by Bolsheviks played a role, too. This love made its presence known as early as the period of Gorbachev's *perestroika*. Our naive belief that "the West will help us" certainly was a factor. Having renounced confrontation, having removed the "iron curtain," having made major, at times unilateral concessions to the West, they said, we deserve the right to have the West respond in kind—to help us rise from the ruins of postcommunism.

Still, the response to our communist past was the main reason for the rise of liberalism in Russia. Since communism was rejected, its antipode, liberalism, gained favor (even more so given our national inclination to rush from one extreme to the other). However, the weakness of Russian liberalism also abides here.

First, the hopes for Western aid were not justified. Second, a transition from communism to democratic forms of existence turned out to be an exceptionally difficult endeavor. Besides, this transition implemented on the model of a liberal market economy favored by the West entailed many unfavorable consequences. Third, the principles of liberalism with their emphasis on civil rights and freedoms, the freedom of human personality in all of its manifestations, began to depreciate quite rapidly at the stage of revolutionary transition from one social formation to another against the background of the sudden impoverishment of many people, the unprecedented rampage of crime and, correspondingly, the aggravation of nostalgia for the past life in a united state. Fourth, many of our former liberals, including dissidents, have turned into proponents of authoritarianism.

In other words, liberalism somewhat prematurely proclaimed itself to have in hand the situation in Russia, which apparently is destined first to go through a different historic stage. Nonetheless, I believe that the tree of Russian liberalism, which, be that as it may, is deeply rooted in Russian society, will undoubtedly grow and bear fruit. This will happen, although not too soon.

After All, Yeltsin Is Right Rather Than Gaydar

In general, a revolutionary transition from one social system to another is accomplished, as a rule, under conditions of rigid authoritarianism or dictatorship. Likewise, a new statehood is not at all built on the rubble of an empire on the basis of liberalism.

This is all the more true because the entire previous system of social orientation and spiritual values has been blown away. Millions of people have literally become depressed. The spiritual void has reached threatening proportions. This is precisely the time to create new myths and new social utopias, the time for any strong remedy to appear with a view to overcoming the state of depression of the nation and creating prerequisites for regular social well-being, if not for enthusiasm.

Nationalism has turned out to be the strongest idea capable of playing an integrating role at the initial stage of postcommunist development in virtually all former republics of the former USSR. To be sure, nationalism is dubious and dangerous for Russia in every respect. First, nationalism would unavoidably grow into great power chauvinism in this country which has multiple ethnic groups, given the underdevelopment of the Russian people's ethnic awareness. Second, it would rather become a disintegrating factor for Russia itself. Third, Russian nationalism, if it were to pick up steam nonetheless in the spirit of our ability to be extreme, would inevitably make our relations with virtually the entire world hostile and would destroy the process of integration within the framework of the CIS.

The ideas of patriotism, statehood, our spiritual heritage, and our best traditions have always been genuine integrators for Russia, and are certainly ready to be such at present. It appears to me that Boris Yeltsin has grasped or felt deep down the need to make the idea of statehood foremost. It was the mainstay of not only his message to the Federal Assembly but also quite of a number of presentations that followed.

It is precisely with the idea of statehood and patriotism, among other things, that a path toward social accord must be sought. I just do not see another idea. A strong state is a guarantee of overcoming the crisis faster, a prerequisite for mounting a vigorous struggle against crime.

However, it is also the most important condition for the exercise of civil rights and liberties. If a person is afraid for his life and the lives of his family, if he is afraid to go out during the evening hours, and has altogether stopped feeling secure, all talk of democracy, freedom, and so on turns into irritating demagoguery.

When Yegor Gaydar slights the idea of state regulation all the more because the most powerful state sector exists and speaks scornfully about the "advocates of state," I want to repeat the jocular statement all of us know well: "Yegor, you are not right."

First, the opinion of the people who in the course of the elections voiced dissatisfaction with the results of reforms cannot be ignored. The real weight of radical democrats in our society cannot be ignored, either. Second, as reforms are being carried out, we cannot forget about the people. With all the talk about "lobbying" and credit "infusions" into the agro-industrial complex, the military-industrial complex, and the fuel and energy complex, we somehow lose sight of the fact that tens of millions of people work in these sectors. We must not fail to think about their fate hiding behind generalities about the ineffectiveness of the state sector and the kolkhoz-sovkhoz system.

At times, it seems to me that Gaydar and some of his colleagues have just forgotten where they live and work. In the country that is called Russia, millions of people have frequently agreed to certain death. However, in the name of what? Was it for "cash on the barrel"? No! It was in the name of an idea, but by far not the one known as the "American idea"—a nice house with amenities, a lawn, affluence, personal independence, dignity, and so on.

The "Russian idea" is a spiritual idea. Frequently (if not always) it is steeped in utopianism and the setting of unrealizable goals. This is the root of many of our troubles. A change of values should take place which, in turn, should be a product of a more rational mass conscience, which is what happened with other (European) nations in their time. This process is already underway thanks to, among others, the "new Russians"; however, an entire stretch of social development will be needed for it to be completed. Nothing will work on the fly, in a cavalier fashion in this instance. Or else new values will be rejected and historically progressive reforms will fail, as happened in Iran under the shah.

We are, after all, a nation of astounding extremes! Just as furiously as our grandfathers fought the "hateful" capitalism in the name of the unknown, enticing socialism, their grandsons are fighting socialism in the name of capitalism, having no real knowledge of either one of them. The whole point is that appeals to go back to a stern reality which is based on common sense cannot be as inspiring as appeals to press ahead and fight for an unknown bright future.

Mistakes in Poll Predictions for December Elections Cited

944F0515A Moscow MOSCOW NEWS in English
No 12, 25-31 Mar 94 p 6

[Article by Ye. Petrenko and A. Oslon, compiled on the basis of an analytical report of the Public Opinion Foundation: "Is the Political Situation in Russia Predictable?"; first paragraph is introductory paragraph]

[Text] The very first appraisals of the results of the Russian parliamentary elections announced on the night of Dec. 13, 1993, on Channel One of the Ostankino TV Center, turned out to be shocking. All the forecasts of the

election returns completely contradicted the real results of the voting. Therefore today, on the eve of the local elections (the presidential elections are not far off either), sociologists prefer simply to abstain from any forecasts, and newspapers—from publishing any. And nevertheless: What has happened? What is happening? What may happen?

Error One: Victims of Self-Hypnosis

Let us recall just a few attempts by newspapers and sociological centers to outstrip one another in predicting the outcome of the elections.

Komsomolskaya Pravda of Nov. 13, on the basis of a survey conducted among 40 prominent personalities in Russia, assured us: "No 'dark horses' are expected to emerge on Russian political scene. The pack of political leaders is the same: Yeltsin, Gaidar, Chernomyrdin, Yavlinsky..."

Almost simultaneously two newspapers—**Segodnya** of Nov. 30 and **MK** of Dec. 1—published their conclusions on the composition of the State Duma on the basis of the opinion polls carried out by the All-Russia Center for Public Opinion and Market Research (VCIOM for short). In both publications the Liberal Democratic Party of Russia (LDPR) was left out of the picture. The measurements of public opinion by different centers, irrespective of their methods and technologies, did not vary much from one another. At the earliest stage of the election campaign Zhirinovsky and the LDPR were mentioned only at the tail of rating lists headed by Russia's Choice and Gaidar.

True, the first warning appeared already on Nov. 3 in **Nezavisimaya Gazeta**: simultaneously with a growth in the President and the government's rating the majority of the population wants a return to the situation as it existed before 1985... Almost simultaneously—on Oct. 30—the poll carried out among Russia's urban population by the Public Opinion Foundation put on record a reduction by nearly one-third (from 19 to 13 percent) in the share of those voting for Russia's Choice with the simultaneous growth (also by one-third—from 13 to 19 percent) in the number of those who refused to go to the polls.

But at the same time, reports continued to be published featuring the results of street polls by VCIOM, according to which the popularity of Russia's Choice continued to grow. And **Komsomolskaya Pravda** reported on Nov. 13: Yegor Gaidar placed first in the list of top ten leaders, Yeltsin was the runner-up, and "Zhirinovsky was far behind somewhere in the middle of the remaining names on the list."

In the second half of November, on the eve of the TV election campaign, the fall in the popularity of Russia's Choice was already showing up in the results of street polls by the Center for the Study and Forecasting of Social Processes (**Izvestia**, Nov. 25), in VCIOM's polls on Moscow streets (MN, Dec. 5) and the polls conducted in

Moscow over the phone by the Institute of Sociology and Parliamentarianism (the news program of TV's Channel One, Nov. 25, 21:00 hrs).

But practically no one paid attention to this hardly pronounced, barely visible trend at that time. For all intents and purposes, researchers and journalists, hypnotized by "absolute" figures, did not admit that public opinion could change at such a rapid pace. Thus a person, who has never seen a storm in a desert, does not guess what the first gentle breeze may signal.

The same Center for the Study and Forecasting of Social Processes predicted in *Izvestia* on Nov. 25: "Russia's Choice... may count on 30 percent of the votes (compared with 34 percent in mid-October and 32 percent at the beginning of the month)... communists may hope for 6 percent... as much as V. Zhirinovsky's party... The main struggle for leadership is unfolding between RC and Yavlinsky's bloc..."

We know of cases when voters, who did not manage to decide whom to cast their ballot for, reacted to these kind of forecasts in a fully definite manner: as a "joke" they voted for Zhirinovsky in the belief that it is this party that had no chance to win and that one vote would not change the picture. Nobody knows how many voters were guided by such considerations on election day.

Error Two: Ban on the Central Electoral Commission: Whom Sociologists Were Lobbying For

Incidentally, *Rossiiskaya Gazeta* warned in its December issues that Zhirinovsky's party was scoring points in the regions when it reported figures from Yekaterinburg: "In the past two weeks the number of the LDPR's sympathizers had increased more than fivefold." With a reference to the findings of the Sociograph Institute, *Trud* wrote about the same: "There is a deep gap between the sentiments of the inhabitants of the capitals... and those of the inhabitants of small towns and rural settlements. The position of the Russian provinces will largely determine the outcome of the voting... The assertions about the pro-governmental bloc's unconditional victory do not look convincing." And on Dec. 11 L. Sedov (VCIOM) in the newspaper *Segodnya* went even farther: "...The LDPR's second place may come as a surprise... This party seems to have revealed an ability for a powerful finish..."

As it has become clear today, some sociological service had to take just one step to grasp the scope and speed of this spurt. But time was already running out. Ten days before the elections (at the very height of events) the ban

on publishing the results of opinion polls came into force. Notably, L. Sedov's forecast about "the LDPR's powerful finish" appeared already in defiance of this ban (on Dec. 4 similar data were also obtained by the Public Opinion Foundation, but publications were discontinued beginning with Dec. 2).

The people did not know even what sociologists were beginning to predict.

At this very time sociologist Vsevolod Vilchek called upon his colleagues to keep silent: "If my colleagues did not rush to the air today with yet another batch of sensations, but demanded of the powers that be that they adopt emergency measures to protect spectators-electors against demagoguery, including the publication of uncontrollable sociological findings... Sociological lobbying is already a banality; there are already signs of something new: ordered sociological killings, at any rate—assassination attempts... The best thing we can do is temporarily halt the publication of findings by any of the sociological services."

But if sociologists did lobby anyone, then by no means was it Zhirinovsky. The ban imposed by the Central Electoral Commission provoked the publication of obsolete findings and premature conclusions.

Error Three: Effect of TV Advertising: Whom the Central Electoral Commission Helped

Many newspaper pages have been devoted to the election advertising campaign on TV, specifically, about the absence of dialogues between political leaders both with each other and with journalists, which would hinder the effectiveness of the most populist promises. It will be recalled that it is the Central Electoral Commission that chose a procedure which permitted solely the "monologue" forms of broadcasting.

The results of the Public Opinion Foundation's polls were used to calculate the index showing how successful each party was in its advertising campaign. The index was calculated daily on the basis of replies to two questions: "Whom will you vote for at the elections?" and "Which bloc do you think about the most?" Point "1" was awarded if the respondent remembered the bloc he was going to vote for, "2" if he remembered the bloc he was not going to vote for, "1" if he did not remember the opposing bloc, and "2" if he did not remember "his own."

Let us cite the average scores for all respondents who watched the TV campaign ads of certain blocs and parties:

	CPRF	FC	YABL	LDPR	APR
Nov. 23	2.23	2.38	2.08	2.00	2.00
Nov. 24	2.05	2.09	1.94	2.69	2.00
Nov. 25	2.38	2.04	2.02	3.00	2.00
Nov. 26	2.07	2.09	2.03	2.43	2.35
Nov. 29	2.37	2.23	2.16	2.50	2.04

	CPRF	FC	YaBL	LDPR	APR
Nov. 30	2.00	3.00	2.79	2.44	2.00
Dec. 1	2.04	2.45	2.47	2.50	2.25
Dec. 2	1.98	3.10	2.43	2.46	2.20
Dec. 3	2.01	2.24	2.01	2.94	2.51
The entire observation period	2.15	2.36	2.22	2.59	2.14

Error Four: Underestimating the Role of the Provinces

One of the key conclusions to be drawn by sociologists themselves after what has happened is this: in such forecasts it is impossible to rely on large cities (where it is easier to conduct opinion polls). You may judge the degree of the error stemming therefrom by the extent that the electors' preferences differed in large cities and small towns, settlements and villages:

	Russia	Large Cities	Small Cities
LDPR	23	21	26
RC	20	23	16
CPRF	12	11	14
YaBL	11	14	7
Wom of Rus	7	7	7
PRU&A	6	6	5
DPR	6	6	6
APR	5	3	8

Error Five: The People Did Not Keep Silent, but Neither Did They Tell the Whole Truth

There is one more distorting factor: after the sufficiently rigid actions in relation to the opposition by far not everyone was sincere in answering the blunt questions of the polls on how they would vote. According to the results of one of our research studies (on Dec. 25), from 12-14 percent (voters favoring the Yavlinsky-Boldyrev-Lukin bloc and Russia's Choice) to 18-37 percent (those in favor of the LDPR and the Agrarian Party respectively) either doubted this sincerity or denied it in general.

Error Six: Those Who Climb Fast Fall Quickly

Having talked about how the real picture was being distorted, let us ask this question: how did this distorting, for its part, influence public opinion? Who stood to lose by this?

Let us cite the breakdown of replies to the question: "Knowing the preliminary results of the voting, what party or bloc would you have voted for today?"

For the sake of clarity the electoral associations are grouped in four categories—the Right (Russia's choice, Party of Russian Unity & Accord, Russian Democratic Reforms Movement); the Center (Yavlinsky-Boldyrev-Lukin bloc, Civic Union, Russia's Future—

New Names, Democratic Party); the Opposition (Communist Party, Liberal Democratic Party, Agrarian Party) and the "special interest" groups—Women of Russia, Kedr, Dignity and Mercy):

Right	Center	Opposition	Special Interest Groups
Before elections			
21	12	19	5
During the voting			
19	13	27	6
After elections (knowing the result)			
24	13	27	5

It should be noted that the 5 percent of the votes lost by the progovernmental bloc Russia's Choice solely owing to society being ignorant of what was going on was one-fifth of the entire number of votes which it could have polled.

Terekhov on October Events, Future Plans

944F0512A Moscow SOVETSKAYA ROSSIYA
in Russian 29 Mar 94 p 3

[Interview with Colonel Stanislav Terekhov by Nadezhda Garifullina; place and date not given: "We Were Sentenced to Death"]

[Text] *A good deal has already been written and much is known about the October tragedy, but still there are quite a few blank spots. In particular, what actually happened on the evening of 24 September next to the staff headquarters of the CIS United Armed Forces? The only person who could shed light on this is Colonel Stanislav Terekhov. But at that time he had been arrested and was out of the game. But there were many versions floating about: from accusations of terrorism—in the democratic press—and provocations—alas, in certain patriotic publications—to suggestions that he was captured when he left the House of Soviets to see his family. In a word, everything is covered by a shroud of mystery. Therefore when I went to see Terekhov in his home the first thing I asked him to do was clarify the incident on Leningrad Avenue.*

[Terekhov] Then I shall begin "from the beginning." On 21 September at 2000, as soon as the coup d'état had taken place, quite different mechanisms from the ones that had been operating theretofore were put in play. We understood quite well that the presidential side should

not wait until the House of Soviets had been worn down by the blockade to such an extent that it would have been possible to starve them out as the Tatars once captured Russian fortresses. The blockade in the center of Moscow could not last forever.

On 23 September several sources informed me that under the leadership of Korzhakov and other figures who have armed state structures, a "surprise" was being prepared for the opening of the special Congress of People's Deputies. By that evening the probability of a "surprise" was very great. It was necessary to make a decision. I spoke with several of our leaders in the Supreme Soviet: We must not remain passive because if we are we will be swatted like flies.

X hour was approaching, there was no time left to verify and verify again. The Congress was just about to open and then the mechanism of provocation would go to work. I was faced with a choice: Either hope for the best and not do anything, or....

[Garifullina] And you decided to act?

[Terekhov] I understood that in order to extricate ourselves from the situation imposed on us with the fewest losses I had to take responsibility for myself. I will not call this self-sacrifice, but believe me I knew where I was going. Speaking in military language, I decided to divert the enemy's attention by conducting a secondary maneuver.

[Garifullina] In other words, you went to the staff headquarters of the CIS United Armed Forces. But why did you have to do this?

[Terekhov] Indeed, everyone was confused: Why? But if we were to take something it should be the staff headquarters—it is a kilometer away from the House of Soviets. And the CIS staff headquarters was absolutely abandoned, there were no weapons, and no communications...of course, if you look at it seriously it is insignificant, but it would do for a diversionary maneuver....

The action I undertook made it possible—I am not speaking about after-effects now—to introduce confusion into enemy ranks. They are not about to storm the House of Soviets if there is some kind of trouble in their rear, and they know nothing. In brief, when they cannot understand the intention, the enemy usually becomes stupid and begins to rush about. And, as a rule, they postpone their basic operation. The maneuver succeeded; the diversion of attention was significant, you know that. And at that time I was shut off from all sources of information. But you knew the reaction both from the other side and from the leaders of the Supreme Soviet: They either pretended not to know or really did not guess the true meaning of what was happening. And those who wanted to clear themselves simply placed the responsibility on me.

[Garifullina] And what role did Anpilov play in these events?

[Terekhov] I want to say this right away and put a stop to all the rumors that have been circulating since that evening: He is not a provocateur, not a spy, and not a secret agent. Viktor Anpilov as a public leader and the chief of his party has done his job to the best of his abilities and opportunities. That is a statement of fact. And the insinuations that are being spread around him are on the conscience of those who did this.

[Garifullina] Stanislav Nikolayevich, on that evening Anpilov called for people to come to the headquarters of the CIS United Armed Forces to help you. This is why passions have flared up concerning him. Tell us, did you have a conversation with him before your departure for Leningrad Avenue?

[Terekhov] The conversation occurred somewhere around 15 or 20 minutes before nine, about five minutes before I departed for Leningrad Avenue. Incidentally, I did not inform him or the others of the details; I told them briefly in two words: I am going there, I am going to stir up a ruckus there, and you make sure that the forces are drawn there...it was necessary to convince the people, otherwise they simply would not have gone there...the 150 or so men who arrived at the staff headquarters made the operation a success. Those who did not want this began to raise a ruckus around me and Anpilov. They said that this action did much harm. Excuse me, but if what should have happened on that evening in front of the House of Soviets had actually happened, if we had not frustrated their plans, then you would have had something to say about the actions of Terekhov and Anpilov and those who were with us.

[Garifullina] Tell me, did you actually take the place over?

[Terekhov] We did not have to. I was blocking the checkpoint, where the soldiers were, in the first place, in order to prevent people from getting into the staff headquarters. While I was blocking it some pistols were taken from the soldiers. I was blamed for this. But, please, why would I want to steal pistols when I had an automatic and my people, the ones that were providing the protection, were armed? They had nothing left to do but look for formal indications of the commission of a crime. First: resisting the militia. But, on the contrary, I wanted to save the militia. And the person who fired at the militiaman did that as a special case, I want to emphasize that. My order from the very beginning was—do not shoot!

[Garifullina] Did you give the commands over a loudspeaker?

[Terekhov] No, it was night on a deserted street and you could hear well, even witnesses have confirmed this. And suddenly, during the course of the operation, in spite of my command, a shot rang out...I was forced to remain there and make sure nobody was wounded. Not a single bullet was fired at the staff headquarters and not a single person went in there. Therefore what kind of seizure

could there be? In front of the House of Soviets people were told to divert and shift the attention of the opposing side.

[Garifullina] I want to clarify one more detail pertaining to Anpilov. Did you ask him to announce this operation at the rally?

[Terekhov] Yes, yes!

[Garifullina] Why am I asking you this? Viktor Ivanovich told me: "I promised Stanislav and I kept my word. If I had it to do over again I would not have done it that way."

[Terekhov] He did what I told him to do. And I said that the officers were conducting an operation on Leningrad Avenue and they had to be supported. They went there and supported them, and there would have been no casualties were it not for the shooting that we did not start. And the bullet that hit the elderly woman was fired after I had left in the crossfire between the militia and someone else who appeared later. And again the real murderer was not found! We were accused of theft, bearing arms, resistance, and mass disorder, but nobody was accused of murder. It is strange that the person who fired the weapon was not found, just like the one who ran down Tolokneyev on 1 May.

[Garifullina] Under what circumstances were you arrested?

[Terekhov] My arm was injured, the upper half of my shoulder was paralyzed. Incidentally, I gave the command to leave weapons on Khodynskoye Field, and I threw my automatic down there too because I knew that if they saw me with an automatic within a hundred meters they would shoot as though they were in the middle of crossfire. Then when they were taking me around to all the militia divisions and command headquarters they were continuously, every five minutes, poking me with the muzzle of their gun and saying: We are going to shoot you now. And I was already helpless, in handcuffs.

[Garifullina] What was the most difficult thing for you after your arrest?

[Terekhov] A person can stand anything—beating, insults, when they have you against the wall, on the floor, or wherever they wish. After a certain amount of time the wounds heal, the pain passes, and the organism restores itself. There are nonphysical aspects—betrayal, an extremely vulgar, brutish attitude toward an officer—this is the sort of thing that is not forgotten.

After my arrest I was sent to the military command post. I spent almost a day there. The next day the military investigator from the military procuracy of the Moscow Military District arrived—he was the chief of the investigation division, Colonel Morin. I emphasize that he was a representative of the procuracy! Incidentally he

came with a representative of the Main Military Procuracy. They came with a platoon of special-purpose militiamen and representatives of the Ministry of Internal Affairs and took me to the 109th Division. That I will never forget!... They wanted to break my morale; they probably thought that all it would take would be one stressful blow and they could wind me around their finger. At 0300 in the morning they were working me over with cross interrogation, constantly bringing in militiamen from the division, who were half drunk to boot. Chance helped to get me out of there alive. I told them: I will testify only through my wife, after she calls a lawyer. And I also told them directly if anything happens to me that you have thought up, things will go badly for you as well. I no longer had anything to lose. But they stopped the physical torture. But they continuously threatened to shoot me if I tried to escape...they brought me to the point where the doctor insisted on immediate hospitalization. But the investigator had received a categorical instruction—in no case send him to the hospital. The vehicle with the special purpose militia detachment was constantly at my side. They would take me in the vehicle—there were five automatic riflemen with me, in front—a car and behind—a bus. They took me to the doctor—also surrounded by automatic riflemen, and I was in handcuffs, I could barely stand on my feet, I could barely move...and that is the way it was until they put me in the detention cell....

[Garifullina] Were you surprised that the army participated in those events and on the side of the ones committing the coup d'etat?

[Terekhov] That, of course, is the most difficult and bitter question. It is difficult to accuse the entire army, although I am not now inclined to defend the military. On the contrary! Most of the officers in this conflict proved themselves to be helpless and indifferent individuals. I do not want to generalize, I am speaking only about those who looked on apathetically at what was happening in the House of Soviets...they all waited, quieted down, and continued as if there were nothing for them to do. If the Supreme Soviet had won they all would have shouted for joy, fired into the air, saluted, and rushed back to their jobs. This is how morally degraded our power structures are! I think we will have to work very long and hard to make the sense of duty and honor correspond to the ranks, shoulder boards, and positions.... Maybe it is not right to accuse those who were in the military units. If the order had been clear and if they had done preparatory work, what we could have hoped for! But they tell us: You are the Union of Officers. Yes, we, the Union of Officers, sent all of our forces there. But in the final analysis we are a public organization, we do not train terrorist groups, and we are not a state structure with weapons, vehicles, and everything else. We express the position of a certain part of the population. But there are people who, because of their service duty, respond—the vice president, the chairman of the Supreme Soviet, the power ministries....

But to reproach the officers we have left...our officers—regardless of whether they were full time or reserve—went and stayed until the end, they were the last to leave, and all this was under gunfire.

[Garifullina] But why did we still suffer a defeat?

[Terekhov] You have touched upon what is really the most painful and bitter subject. Believe me, in jail during those sleepless nights I was tortured by the question of why all this happened. And I will tell you frankly that this is the lesson I learned. The high leaders, placed in an extreme situation, should have thought everything through ahead of time and made wise decisions...their passivity, their inactivity, and even lack of talent with respect to many issues—I do not want to go into this now—contributed to the defeat. I attended meetings of the high leaders with the participation of Rutskoy, Makashov, and Achalov, who were supposed to organize a powerful resistance, which was the main thing at the time. The tasks were set but as though for God himself: There was no mechanism for specific people to carry out the orders. Even at that time I understood that we were hostages. I circulated in the high spheres and at the same time I had sources of information in the lower structures. We found ourselves surrounded by flags and sooner or later the shooting had to begin. And it began....

[Garifullina] The president is preparing a memorandum concerning accord. There are also other forces that are calling for us to reach out to one another—this is from the opposition. How do you feel about these proposals?

[Terekhov] In principle it is natural to speak about accord and civil peace. We too are in favor of this. The form in which it is expressed and by whom are another matter. I personally do not intend to sign any agreements with people who are criminals and want to make me one. Second, and I want to emphasize this especially: Some people want their hands untied so that they can continue their shameless behavior, their unlawful and illegal activity to plunder the country. And they will "push" for this, tying the hands and feet of those who sign it. But let them sign their own paper and swear that they will never again fire weapons at the people, they will never again bring a tank out into the square, let them admit to their own people that they committed a crime and are prepared to take responsibility for this under the law or at least agree to early elections. And indicate this in a memorandum and then I will sign it....

[Garifullina] What are your immediate plans?

[Terekhov] On 18 April we held the all-Union congress of the Union of Officers. Our telephone number is 257-01-68. Our purpose is to evaluate the situation, draw lessons from the October tragedy, and map out the future. We want to determine what is left of us in this stage, which forces we have preserved. As a public organization we are acting independently, we were not, and now we certainly will not be and do not want to be considered a military detachment of the CPSU, the Communist Party of the Russian Federation, or any

other, say, monarchist or national party. The Union of Officers is strengthening its roots, its foundations as military statesmen.

At the same time I have understood for a long time that it is not enough to conduct active political work within the framework of the Union of Officers. We need a new independent political structure. But we want to preserve the basic principles on which the Union of Officers was built: These are statehood, great power status, patriotism, honor, and dignity. These are the precise goals a great-power party proclaims.

[Garifullina] Stanislav Nikolayevich, you spent a total of 157 days in Lefortovo and, without exaggeration, you looked death in the face. This is true. Tell us, were you always optimistic or did you despair and have a sense of hopelessness?

[Terekhov] Sometimes I had the feeling there was no way out. I knew that I was threatened with more than one sentence. They hit me with four charges, and two of them were serious, including especially dangerous state crimes—15 years apiece. Of all the people in jail nobody had more charges filed against them than I did: four of them! I understood that they would want to put me in jail, and that even if I beat my head against the wall I would not get out of there. And I was seized by hopelessness....

But I had confidence in the fact that this could not go on forever. In any case, these people would not live forever.

[Garifullina] Did your family have a hard time without you?

[Terekhov] If I believed in anyone to the very end it was my wife and family. I was simply moved by their moral steadfastness. Larisa and I have three daughters: The eldest is 17, she is finishing school, and she intends to enter a legal institute; the middle one is nine, and the youngest is a sixth grader. I received this apartment through my job but on 23 September I was discharged from the army; they quickly documented this with an order after the fact both from the minister and the academy. They apparently thought that after a person has been in jail he will not worry about violations with his discharge. Now, naturally, I will be reinstated, and again through the court. So, about my family. Larisa Aleksandrovna is a great person. Not every woman is capable of going through what she has been through. I have brought out in her capabilities which even I did not suspect she had.

[Garifullina] Who do you consider to be your teachers?

[Terekhov] I have had many teachers; I consider them to be the people who have gone through the school of life. I served in Nerchinsk, where they exiled the Decembrists, in Chita, Ulan-Ude, Krasnyy Chekoy, Sakhalin, and several places that are not even on the map...there my teachers were the commanders with whom I served. In recent years my teachers on the political plane have been

those who have been caught up in the overall struggle. Some of them have strong points which I do not have. I learn from them. From Zhirinovskiy I learned one thing; everyone is learning from him now, incidentally. From Zyuganov—another thing, from Baburin—a third thing, from Sterligov—a fourth thing...these political figures have created themselves. How did they do it? What is keeping them from becoming nationwide leaders? In this sense I have no idol or guiding star.

In prison I had a chance to think about everything unhurriedly, to sum up the past and think about the future if such a possibility were to present itself. Fortunately, it did present itself. I am back with my comrades again and life and the struggle continue....

MVD on Struggle Against Organized Crime

944E0636A Moscow TRUD in Russian 29 Mar 94
Night Edition p 3

[Article by Galina Odinokova: "Who Will Fight the Mafia. MVD Workers Are Confident That Only Professionals Can"]

[Text] The Analytical Center for Socioeconomic Policy under the Administration of the President of Russia, headed by Petr Filippov, has prepared and submitted to Boris Yeltsin a document titled: "Organized Crime and the Prospect of Nationalists Taking Over Power in Russia." A number of the media have published it. In the opinion of the Center, the growth of organized crime, which has infiltrated organs of the MVD [Ministry of Internal Affairs] and local executive authority, jeopardizes Russia's economic and political development. Professionals from law enforcement organs are not indifferent to this information either, but they have their own attitude toward the conclusions of the analysts. Today we offer the reader an opportunity to become familiar with two of these opinions.

Vladimir Rushaylo—chief of the regional Administration for Fighting Organized Crime (RUOP) of the Moscow GUVD [City Internal Affairs Administration], militia colonel:

"As a practical worker responsible for the situation in Moscow, first of all I have doubts about many of the figures and generalizations presented in the document. For example, the thesis that '70-80 percent of privatized enterprises and commercial banks are forced to pay extortion money.' It would be stupid to deny it—such things exist, but to say that the absolute majority of enterprises are under the heel of criminal groupings is irresponsible at best. We know that this kind of information used to be disseminated by the criminal groupings themselves so that potential victims would reconcile themselves to paying them off without making a fuss.

"Incidentally, the criminals are also interested in disseminating the information that 'all the militia is corrupt, there is no one to place our hopes in.' This is a kind of shocking-paralyzing statement for the victim: To resist,

to defend your independence—is pointless, the power of the mafia is boundless, it is better to pay the money. From the same category comes the assertion that gangster formations everywhere have informers in organs of the militia, and state automotive inspection. I think that here too they have been laying it on too thick. There are informers, of course, but only a few. We regularly 'round them up.' During the past year the Moscow RUOP has discovered 29 militia workers who have committed various kinds of official crimes. We do not deny this, just as we do not intend to tolerate traitors, and we will fight fiercely against them.

"The analysts advised the president to put together new formations consisting of people who have never before served either in the militia or in the Ministry of Security. And they suggest using in operations for suppressing organized crime workers temporarily assigned from other cities. As a practical worker I can say that for Moscow, for example, this method is not very acceptable. Operationally, the capital is such a complicated city that even native Muscovites usually adapt fully to the normal professional standard only after three to five years of working under the conditions of the capital. What about when it comes to work in the militia?

"The document's authors are under the impression that almost all the activity of subdivisions for fighting organized crime can be reduced basically to conducting raids and rounding up criminals, which affects only the small fry. But how is it then that in Moscow alone recently we have managed to bring criminal charges against seven thieves operating within the law? The professionals understand that the leaders of criminal groupings are unmasked only as a result of in-depth operational developments and penetration into the criminal environment.

"But if it did come down to raids, police lines, inspections, and ambushes, these too are absolutely necessary in daily militia work. Here is a summary of the results of one of the recent Moscow operations: 225 crimes uncovered, more than 30 units of firearms and 53 bladed weapons confiscated, 49 stolen motor vehicles found. In one day!

"There are suggestions that simply need work. Take just the idea of granting law enforcement organs the right to preventive detention for up to three months without charging individuals who are suspected of organized crime. In Tatarstan, for example, they introduced such a rule, the territory was purged of gangsters, and...they immediately moved to Moscow. Such decisions must be made at the state and not the regional level.

"Subdivisions created relatively recently for fighting organized crime are quite capable of fighting it today, but this requires well-considered legal instruments as well. And the dissemination in the press of documents like the note from the Analytical Center does more to advertise organized crime than help fight against it. It is necessary to begin with a serious reformation of the investigatory apparatus, with the introduction of an

alternative form of investigation in keeping with the article of the Criminal Code of the Russian Federation entitled 'Gangsterism,' whereby the courts, when examining such cases with clear indications of gangsterism but without the necessary proof, will return the materials for further investigation. And when the people arrested have been caught red-handed—the question of the convictions should be decided in the shortest possible periods of time, without reducing liability or punitive measures."

Azaliya Dolgova—president of the International Criminological Association, doctor of jurisprudence, professor:

"From the standpoint of the problem raised in the materials of the Analytical Center, there is nothing basically new. Except for one thing: In the subdivisions that will be fighting organized crime there should not be...workers of the MVD or the former Ministry of Security. Where did this kind of disrespect for organizations on the leading edge of crime-fighting come from? If there are complaints—they should be concretized. Each case should be investigated legally—and only after this procedure should those who have been penalized be prohibited from working in the new subdivisions.

"Look at the position in which law enforcement organs have been placed today. The criminals are becoming more brazen with each passing day, they are arming themselves, and they are strengthening their ties with corrupt bureaucrats of the higher echelons of power. And no legal base has been created for fighting against them. So in the absence of legal instruments the workers have had to use force that is sometimes unjustified. We are coming closer to a real danger of punishment of criminals on the spot. Those who are objecting to the adoption of the appropriate laws today are also provoking this.

"Another question for the analysts: Where do they intend to gather up these professionals? Invite them from the West? Or call in scholars from academic institutions who provide theoretical knowledge for practical workers? We are now engaged in a persistent war against crime and the enemy is taking the offensive. And instead of introducing fresh professional forces, even after achieving success they want to begin to settle scores with everyone left in the trenches—the authors of the document are proposing: 'All for the state!' What is the enemy doing during this time? Naturally, he is continuing to attack. And what are the 'people in the trenches' doing? Of course, they are starting to philosophize: Is it worth the struggle?

"The idea itself of creating special services, of course, is productive. It is worth considering from all angles. But it cannot be embodied without resolving the key problems of the organization of the fight against crime as a whole. Without reforming criminal procedure and operational investigatory activity.

"We must not arbitrarily change units in a system—this will necessarily warp other of its elements. As a result of

serious work, the analysts have come to extremely sore spots in society. But instead of turning to professionals they simply deny them the right to work. And our esteemed workers from the Analytical Center have forgotten about many essential elements without which a persistent struggle is simply impossible, or else they have considered them to be of less importance. For example, the fact that our legislators have not yet adopted a law on corruption in combination with a law on organized crime—new deputies of the State Duma are even lobbying for this unified mechanism for fighting the mafia."

From the dossier of the Main Administration for Combating Organized Crime of the Ministry of Internal Affairs of the Russian Federation—the results of 1993:

"Promising signs of stabilization of the dynamic of the growth of crime have appeared. In spite of predictions of certain specialists, in 1993 this indicator rose by only 1.4 percent, while in 1992 the dynamic growth amounted to 26 percent. A significant decline in the dynamic was brought about by the initiative of internal affairs organs. The number of organized crime groupings disclosed increased by 30.8 percent (5,681 groups, including 87 of a gangster inclination). They have confiscated 11,737 units of firearms from the criminals, which is 2.6 times more than during the preceding year. They have confiscated nine times more bladed weapons. RUOP subdivisions have confiscated 4.4 tonnes of narcotics. Twice as many corrupt bureaucrats have been taken to court. While in 1992 throughout Russia only nine cases were reported under the article of the Criminal Code 'Gangsterism,' last year there were 44 of these cases. Convictions were handed down against 20 thieves operating within the law, and there are now 62 of these thieves in prison."

We share the bewilderment of representatives of law enforcement organs regarding the evaluation of professionals. Indeed, it is unsatisfactory to run roughshod over specialists who have accumulated experience in fighting organized crime. But you cannot get away from the facts: In terms of the number of murders per capita we are almost ahead of everyone else on the planet. When will we be delivered from fear? The government today is discussing a nationwide crime fighting program that is unprecedented in history. But if we do not feel its results tomorrow, we will have a right to draw a tragic conclusion: The mafia is immortal, and there is no one who can fight it. It is getting late...Listen: Tomorrow!

Directive on Joining Copyright Convention 944F0522A Moscow ROSSIYSKAYA GAZETA in Russian 31 Mar 94 p 4

[Directive of the Russian Federation Government: "Questions Pertaining to the Russian Federation's Accession to a Number of International Conventions in the Area of Copyright"; signed 25 March 1994]

[Text] The following proposals of the Russian Ministry of Foreign Affairs, which have been agreed to by the pertinent federal executive-branch agencies, are to be adopted:

on the completion of work on preparations for the Russian Federation's accession to the Berne Convention for the Protection of Literary and Artistic Works (1971 version), the Universal Copyright Convention (1971 version), and the 1971 Convention on the Protection of the Interests of the Producers of Audio Recordings Against the Illegal Reproduction of Their Recordings. The proposals in question are to be presented according to established procedures as this work is completed;

on the continuation of study of the questions pertaining to the Russian Federation's accession to the 1961 International Convention on the Protection of the Interests of Performing Artists, the Producers of Audio Recordings and Broadcast Organizations;

on the inadvisability, at present, of the Russian Federation's signing the 1979 Multilateral Convention on the Avoidance of Dual Taxation on the Payment of Royalties.

[Signed] President of the Russian Federation
B. Yeltsin
25 March 1994
No. 152-rp

REGIONAL AFFAIRS

Unique Aspects of Recent Elections Viewed 944F0535A Novosibirsk SOVETSKAYA SIBIR in Russian 2 Apr 94 p 4

[Article by A. Zharinov: "From the Nonparty Bloc?"]

[Text] All elections, whatever you say about them, have their own birthmarks. For example, an obligatory and unfailing attribute of past elections was the slogan concerning the indestructibility of the "bloc of communist and nonparty candidates." Anything else at that time was inconceivable for the party and people were united.

Today this slogan seems inappropriate and illogical. In actual fact, the Russian people here are united, and there are several dozen parties, each of which is endeavoring to "merge" with them and express their interests. If the formation of parties continues to be so dynamic, there is a fear that the people will not be enough to go round.

The people themselves, it has to be assumed, are beginning to understand that the parties standing in line to defend their interests at times represent no one and nothing. And have sometimes been created merely in order to "state," "protest," and "demonstrate."

We are persuaded that this is the case by the preliminary results of the elections to the oblast soviet of deputies. At least 10 political organizations, blocs, and movements

have loudly stated their aspiration to fight for deputies' seats. The oblast organizations of Democratic Russia, the Free Russia People's Party, the Economic Freedom Party, the Russian Communist Workers Party, the Working Novosibirsk and Fatherland movements, and the Unity Association have actively begun to introduce their candidates.

The electorate remembers their periodic appearances on television and radio and in local publications. SOVETSKAYA SIBIR ran a series of publications devoted to election associations.

Let us leave in the background for the time being the original lack of coordination (the amendments to the Election Statutes, revision of the district boundaries), which undoubtedly contributed to the false start. Let us take a closer look at the problem.

Of the deputies elected, only three represent political parties and movements. From the Communist Party of Russia, Viktor Kuznetsov, secretary of the oblast party committee, and Vladimir Karlov, director of Vocational-Technical School 16 (both ran in Berdsk), and from Russia's Choice, Nikolay Krasnikov, chief of the administration of the Koltsovo community.

However strange, well-known and respected people, skillful politicians, are among those who have withdrawn. Account was taken of the candidates' political past and an ability to think in a manner out of the ordinary and present one's position interestingly. And of the subjective, psychological factor, of course.

Nonetheless, the ability to organize the campaigning was, I believe, determining in the election. It was frequently undertaken in talentless manner, with the old methodological baggage. The cliche that the Russian Communist Workers Party defends the interests of the working people and supports a change of political and economic course was bandied about, for example. And the party members evidently believed that this said it all. The people would be aroused and would head for the polls. They did not. For almost the same slogans had emanated from other political forces.

The philosophy of campaigning self-sufficiency (we are for the people!) proved unproductive in the general chorus of people's defenders. Having had a surfeit of slogans concerning protection unrealized with each new election, the people preferred to ignore them and to vote, at best, for those whom they know best, not showing their affection for any party.

Nor was the tried-and-tested, reserve campaigning echelon: the arrival in Novosibirsk of political leaders of Russia V. Anpilov, V. Lipitskiy, and I. Malyarov, any help. The electorate greeted them warmly, but many people simply failed to show up at the polls.

The program of the oblast organization of the Communist Party of the Russian Federation would seem to be the most constructive, balanced, and specific of the

election material. It does not summon to the "far blue yonder" but offers a resolution of socioeconomic problems at the oblast level. And this, I believe, was appreciated by the electorate of Berdsk, which cast its votes for the communists.

Social psychologists say that a candidate who organizes his campaign not on real, constructive matters but on withering criticism of his opponents fails, as a rule. This was evident to some extent. One likable party candidate from Tsentralnyy Rayon so fulminated in his election speeches against the communists as to introduce into his vocabulary the terms "communist Vendee," "red faces," and so forth. In a word, the voter knew where everything stood with this politician. And rejected him.

One further campaign method: the flashed-message effect. As many people believe, in November V. Zhirinovskiy's multiple television meetings made him not only a star of the screen but of the electorate also. The method was employed actively by local candidates also. The pithy phrase broadcast daily on the radio: "Konstantin Zhelezov is a man of action! He is your candidate!" is still implanted in the minds of many Novosibirskers. The politician candidates did not dare take such a step. In order to be, if not elected, at least, known.

Granting SOVETSKAYA SIBIR an interview, Kirill Volobuyev, leader of the local Liberal Democrats, complained at the discrimination in relation to political parties: We were forced to collect signatures for the candidates.

"People should be nominated for the oblast soviet by party, by slate!"

As it transpired, the party could today barely "cover" several electoral districts with its candidates. None was elected to the oblast soviet. From the viewpoint of party representation and the apportionment of political forces this is not, as they say, to the benefit of democracy. But how can the electorate's interests be represented in the soviet if it is as yet denying this representation?

South Ossetia Election Outcome Reported
944F0528A Moscow NEZAVISIMAYA GAZETA
in Russian 29 Mar 94 p 3

[Article by Liana Minasyan: "Elections Which Were Threatened Were Held After All; 28,000 Georgians Elected 5 Deputies, While 35,500 Ossetians Elected 36"]

[Text] Last Sunday's elections to the state nykhas, the supreme organ of South Ossetia, were perceived with enthusiasm by the population. By noontime, half of the voters had already voted, and the primary result was achieved. By the time the polls closed, 80 percent of the voters had visited them.

According to the official information supplied by Tsentralnyy Rayon [Central Electoral Committee] Chairman Boris Chochiyev, 41 electoral districts had been created.

However, elections were held in only 36 of them, with the rest falling in Georgian villages. The question posed by one of the members of the CSCE [Council for Security and Cooperation in Europe] mission who was in Tskhinvali at the time of the elections—why were 28,000 members of the Georgian population given only 5 seats in parliament, while 35,500 Ossetian voters got to elect 36 deputies—remained unanswered. Thus, unlike the parliament of Abkhazia, which had been exploded by the quota principle of representation, the elections to the South Ossetian nykhas demonstrated once again that Tskhinvali ignores Tbilisi, and the local Georgian population ignores the local Tskhinvali authorities.

Nevertheless, many, including the commander of the Russian peacekeeping forces in South Ossetia, Nikolay Pavlov, even the day before the elections had serious doubts that the elections would take place without any excesses. Three days earlier, a hostage was taken in the Georgian village of Nuli, and a group demanded a ransom of 50 million rubles (R) for him. Certain circumstances surrounding this incident force us to believe that this was not an ordinary criminal action. After a thorough investigation, official Tskhinvali authorities never were able to determine who took the hostage. The R50 million were prepared. However, the members of the CSCE mission, together with the Russian peacekeepers, never did meet the middleman for transfer of the money.

Meanwhile, the Georgians responded to this by seizing eight people (the six women and two children were freed after negotiations). The Georgian population blocked the roads in all directions leading to Tskhinvali. The peacekeepers were seriously concerned that if the situation could not be diffused, there would be a chain reaction of mutual violence.

The incident really did give reason for mutual suspicions. The Tskhinvali authorities accused the Georgian authorities of wanting to undermine the elections. The commander of the Georgian battalion of peacekeeping forces, Nodar Tatarishvili, expressed the supposition that this was the work of Ossetian radicals who had decided to heat up anti-Georgian sentiments before the election.

However, be that as it may, no hostages have been taken here for over a year now. Moreover, the sum of the ransom, contrary to accepted practice, was extremely high (usually they demand from R1 to R3 million, depending on the "status" of the hostage). And although General Pavlov was full of decisiveness to oppose the bandits, the situation has not yet been fully resolved.

Nevertheless, the elections were held, even though they had an entertaining topic: There were 151 candidates running for 36 seats. A large part of the candidates were party nominees—12 parties, associations and unions entered into the struggle, and the most active among them was the Communist Party. The opposition became concerned when it discovered that many independent deputies, who in the former Supreme Soviet did not

comprise the majority, turned out to be unable to withstand the promises to "bring back" the Soviet Union. Also playing a role was the fact that the leaders of the former Supreme Soviet, Torez Kulumbekov and Alan Chochiyev, had long ago left South Ossetia. This overshadowed the farewell with the former Supreme Soviet and had an effect on the reputation of the remaining deputies. And although the current chairman of the Supreme Soviet, Lyudvig Chibirov, believes that "the line of the former parliament will not be subject to revision, despite the fact that, according to the estimates, the make-up of the deputies will change by 60 percent," many believe that not only will the state nykhas be more "moderate," including in regard to Georgia, but that it will be simply an unprofessional and pliable organ. The absence of any active policy and self-sufficient organ of administration has already brought South Ossetia to the brink of catastrophe. Chairman Chibirov himself has not yet been elected to the new parliament but, like most of the deputies running in the city districts, has remained for the second round. His rival, the minister of foreign relations of South Ossetia, represents the Republic Party for People's Unity of Ossetia—a party representing the higher segment of power structures.

The members of the CSCE mission, who are trying to renew contacts between Tskhinvali and Tbilisi, believe that Chibirov is a perceptive man. However, sensing the acuteness of the moment, he himself is in no hurry publicly to break down the "wall of China" which, in his words, has arisen between Georgia and Ossetia over the last five years. Chibirov announced that "if the parliament of Georgia has repealed the Supreme Soviet of Abkhazia, we too will not escape this same verdict. But this is of no consequence for us. South Ossetia has its own constitution, on the basis of which we held the elections, placing a legal foundation under our republic."

Sverdlovsk Oblast Duma Candidates Registered

944F0501A Moscow *SEGODNYA* in Russian
22 Mar 94 p 2

[Article by Irina Vladykina: "One Hundred Sixty Candidates for the Sverdlovsk Oblast Duma Named—Election Campaign Begins in the Local Mass Media"]

[Text] One hundred sixty candidates for deputy to the Sverdlovsk Oblast Duma have obtained their credentials. In the oblast administration, where a meeting took place between candidates for deputy and head of administration Aleksey Strakhov and members of the government, it was learned that of 32 public associations declaring their intention to begin the election campaign, six have dropped out.

Some 227 candidates submitted applications during the course of the preelection period, indicating the high activity level of social and political forces in Sverdlovsk Oblast. According to preliminary estimates of the oblast electoral commission, oblast residents will receive a ballot 10 April containing the names of at least 30

candidates for deputy to the oblast Duma. A great deal of attention is therefore devoted to the interaction between candidates and the mass media. Lots were drawn on Sverdlovsk television, where candidates were afforded free air time for their presentations, and also in *OBLASTNAYA GAZETA*, the official organ of the Sverdlovsk Oblast administration, where space will be allocated for the publication of free campaign materials. Candidates are being afforded the full use of seven issues of this publication, beginning 25 March.

Among the registered candidates for deputy to the oblast Duma are 44 businessmen, 33 political figures nominated by parties, five trade union functionaries, four workers, and four unemployed individuals. The work of nominating and registering candidates is not complete. The oblast electoral commission is presently investigating complaints and petitions, of which quite a number have been received.

Yaroslavl Election Results Reported

944F0503C Moscow *ROSSIYA* in Russian No 11,
23 Mar 94 p 2

[Article by Oleg Tatarchenkov under the "Election Passions" rubric: "Circular Track Races"]

[Text] In Yaroslavl Oblast, the "successful seizure of representative power by the executive has taken place." Such was the characterization given the elections to the oblast Duma and the city municipal committees by V. Varukhin, representative of the president of the Russian Federation in the oblast. And in fact, of the 17 elected deputies in the oblast, six are heads of city administration, and another three are bureaucrats. However, this victory can be counted a Pyrrhic one. Only 33 percent of the oblast residents who had the right to vote participated in the elections. In most of the districts, the elections were declared invalid by the oblast electoral commission. That is to the oblast Duma. Things are not any better with the municipal committees: In two of the oblast's large cities—in Rybinsk and Rostov—elections did not take place at all, and in Yaroslavl, only partially.

The main reason for this "victory" is the absolute apoliticism of the voters. And the people of Yaroslavl, in turn, reserve the right to mock the points of the candidates' election platforms and the means of their presentation. Thus, one of the directors of a Yaroslavl enterprise permitted vodka to be sold on the territory of the plant during the election campaign. The vodka was wrapped in a sheet with the director's election program on it. Another candidate, when presenting his program on local television, was asked how he planned to implement it; he replied: "I know some sly tricks that will help me out." The contender preferred not to go into the details of what these "tricks" might be. A third, in order to get the youth vote, promised to organize "sex buses," where young men and women could meet without the danger of being caught by their parents. Against the background of these "sly tricks" and "sex buses,"

bureaucrats and directors of major enterprises looked quite a bit more attractive: They really could do something more serious. True, most of them did not believe that this "something more serious" would make their life easier, and they "voted with their feet," virtually ignoring the elections.

In the districts where all of the contenders were rejected, runoff elections will be held on 24 April. And the oblast electoral commission set a condition: All candidates, the new and the previous ones, must again collect the necessary number of signatures. So this is the second track, which is in danger of turning into an exclusive one.

Yaroslavl Governor on Current Concerns

944F0521A Moscow KOMSOMOLSKAYA PRAVDA
in Russian 30 Mar 94 p 6

[Interview with Yaroslavl Oblast Governor Anatoliy Lisitsyn by KOMSOMOLSKAYA PRAVDA correspondent Dmitriy Sevryukov; place and date not given: "The Province Is Moving... Where?"]

[Text] Residents of Yaroslavl, Rybinsk, or Uglich say with a certain pride that they no longer live in an oblast but in a province, although official confirmation of the title of the region is being delayed, as usual. This upsets Yaroslavl residents because the seemingly innocent word "oblast" reminds them of the oblast party committee and its permanent First [secretary], nicknamed by the populace "tsar Fedor." The current Yaroslavl leader, however—Governor Lisitsyn—is respectfully called Anatoliy Ivanovich even in the most remote kolkhoz. During the December elections to the Federation Council, voters in the province not only cast the absolute majority of votes for the governor but also, unlike other Russian regions, did not fall for the temptation to play into the hands of Zhirinovskiy's party.

[Sevryukov] Anatoliy Ivanovich, are you not afraid that authoritative figures on a local level, given the weakening of the center, will wittingly or unwittingly contribute to Russia's repeating the fate of the Union: disintegration into individual principalities, rural districts, provinces...

[Lisitsyn] I am against the "parade of sovereignties" started by my colleagues from Sverdlovsk Oblast. And when he proposed himself for the post of speaker of the Federation Council, I spoke sharply against it. In the current explosive political situation it is enough to set a precedent, and a chain reaction will start... To allow fragmentation of the Russian state—in no matter what form—means to nullify history.

[Sevryukov] The economic crisis in each region has its own local flavor. Everybody in Yaroslavl remembers the February rebellion of "red directors," who were threatening an interregional strike...

[Lisitsyn] It did not reach this point. And the "rebellion" had been provoked to a large extent not by industrialists

but trade unions, who constantly destabilize the situation. We were able to reach an agreement, though, and identified the principles and positions on which we must immediately support enterprises: reduce road tax and property tax.

We also defined a long-term economic development policy. On this we worked together with Ye. Gaydar's institute. We prepared 37 promising programs, some of which may qualify both for federal investment and investment on the part of international mortgage banks. We plan to present this unique Yaroslavl-Gaydar program to a broad circle of businessmen and economists in Moscow from 24 to 28 May, during the Yaroslavl Oblast week in the capital.

I recently visited Nemtsov in Nizhniy Novgorod. We compared our provinces' indicators of agricultural production and discovered that Yaroslavl Oblast has experienced a smaller decline in the livestock herd and has a higher milk yield and higher average wages. As to agriculture specifically, the entire secret is that since 1992 we have been directing half of our budget money into that sphere.

[Sevryukov] Anatoliy Ivanovich, in a recent interview to KOMSOMOLSKAYA PRAVDA Sergey Shakhryay remarked that what is happening in society today is a battle between three elites: Moscow, regional, and sectoral. Do you agree with such a formula?

[Lisitsyn] This fight is not only perceptible—it is coming to the forefront of domestic political life. If you take federal organs of administration and local organs, the problem is that the experience accumulated in the regions is being ignored by our government. The government is attempting to implement on its own a mechanism of economic reform without analyzing regional experience. All attempts from the grass roots level to have our experience finally put to use have been fruitless. I am particularly bitter about this, since I am a member of the board of the Governors Union, whose task is to propagate the regions' experience.

[Sevryukov] Yaroslavl Oblast was among the first to hold elections to the oblast duma and local organs of representative power. There have been accusations, however, that the elections were undemocratic, since heads of administrations participated in them, which violates the principle of separation of power...

[Lisitsyn] First, I have to tell you that these elections were held in an extremely difficult political situation. Strictly speaking, there were attempts to derail them. And the key opposition figure, sad to say, was the president's representative in Yaroslavl Oblast. When the election campaign was already in full swing, and after we had already spent about 2 billion rubles on it, he suddenly proposed to move the elections to the fall. And later urged the population not to turn out for elections altogether, not to vote.

Nevertheless, the oblast duma has been elected and is now functioning. It is a group of competent people, professionals. And the fact that almost half the duma deputies are members of the executive branch does not indicate in any way that the elections were undemocratic.

[Sevryukov] You have been governor for two and a half years now. Has the pilgrimage to power given you the sense of satisfaction over what has been accomplished?

[Lisitsyn] Complete satisfaction—no. Especially now with the departure—again—of Gaydar, whose economic concept was the foundation of our region's development.

A point of legitimate pride for the governor's team is probably the stability of the socioeconomic situation and secure civil peace. I think that to a large extent credit for this goes to the Civic Consensus Union, created under the governor two years ago; it includes representatives of all—with exception—parties and movements. Each month they all gather together—essentially, political opponents: Russia's Choice, the communists, the national-patriots... With all our disagreements, we have learned to come to agreement, because it is in the interests of the people.

Shaymiyev on Tatarstan, Russia Relations

944K1041A Moscow LITERATURNAYA GAZETA
in Russian No 13, 30 Mar 94 p 12

[Interview with M.Sh. Shaymiyev, president of the Republic of Tatarstan, by Aleksandr Sabov, LITERATURNAYA GAZETA special correspondent, Kazan-Moscow; date not given: "Did the Treaty Reconcile the Two Constitutions?"]

[Text]

[Begin boxed item] We will remind the reader of the stages of the three-year discussion between Russia and Tatarstan.

1990, August. Declaration of the Supreme Soviet of Tatarstan on the state sovereignty of the republic was enunciated. It was Tatarstan that opened the "parade of sovereignties" in Russia.

1992, March. Referendum: Mass support of the sovereignty of the republic; moreover, not only by the Tatar but also by the Russian-speaking population.

1992, November. On the basis of the results of the referendum, a new constitution of the republic was adopted proclaiming it a "sovereign state and a subject of international law associated with the Russian Federation."

1993, December. As a result of the massive failure of voters to participate, the elections in Tatarstan to the Federal Assembly of Russia, in essence, were not held. The position of the republic: New elections will be

conducted only after the signing of a special treaty between the Republic of Tatarstan and the Russian Federation.

1994, 15 February. The leaders of the Russian Federation and the Republic of Tatarstan signed the treaty "On the Demarcation of Powers and Subjects of Jurisdiction between the Organs of State Authority of the Russian Federation and the Republic of Tatarstan."

1994, 13 March. Repeat elections were held with a rather high activeness of the population. Tatarstan took two seats on the Federation Council and all five seats in the State Duma of Russia.

[end boxed item]

[Sabov] In my opinion, here, in Tatarstan, after three years of peripeteia, which Russia followed with anxiety, a certain very important precedent was set for regulating relations between the Federation and its components. In the treaty between the Russian Federation and the Republic of Tatarstan, unlike your constitution, the words on Tatarstan as "a sovereign state" and "a subject of international law" are excluded, and the concept of a Tatarstan that is "associated" is replaced by the concept of a Tatarstan that is "united" with Russia. Tell me, Mintimer Sharipovich, what do you see as the advantage of joining the Federation in this way. Why did you not agree, like Bashkortostan or Yakutia (Sakha), to sign the Federative Treaty with the special supplements to it?

[Shaymiyev] Well, first, you are right in saying that our relations with Russia remained uncertain for a long time, more than three years. Not only were those who watched from the side anxious, but there was also anxiety here among the residents of the republic. It was intensified by the feeling of general instability in Russia which, after the collapse of the Union, is itself experiencing a time of troubles in its own history. We were accused of separatism and violation of the integrity of Russia. The so-called "central" mass media printed many articles that were not objective, frequently confusing the demands of the radical nationalistic movements of Tatarstan with the positions of the official leadership of the republic. But, after all, they never coincided. For example, as president, despite all the pressure brought to bear on me, not once in any form did I demand "independence" for Tatarstan. Overall, I always remained calm, knowing that sooner or later Russia would understand and appreciate our position.

It was three years ago, while adopting the Declaration on the Sovereignty of Tatarstan—imagine, this was in the time of the Union, when hopes still existed for the success of the Novo-Ogarevo process!—that we declared that as soon as we build a rule-of-law society, relations between the republic and the Federation should be built on a treaty basis and mutual delegation of powers. At the time of the conduct of the referendum on the official status of the republic, our Supreme Soviet once again

made a distinct clarification: Tatarstan is not for violation of the integrity of the Russian Federation, but is seeking a path of reasonable coordination of its interests with all-Russian interests.

After the signing of the treaty on 15 February, I tirelessly emphasized the principles of our joining the Federation in my preelection campaign: a treaty basis, demarcation and delegation of powers, and no violation of Russia's integrity. Our position was consistent, because we defended the mutual conditionality of these three principles from the very beginning.

[Sabov] Nevertheless, in the final stage, the matter ended in a compromise for you as well? After all, a number of provisions of your constitution do not coincide with the provisions of the treaty.

[Shaymiyev] Well, what can be done without a compromise? As president, I cannot violate the Constitution of Tatarstan, under which we are now living for the second year. Yes. The constitution and the treaty differ in many articles. But we came to an agreement in principle with B.N. Yeltsin—and this is reflected in the treaty itself—that it, the treaty, prevails over both constitutions—of the Republic of Tatarstan and of the Russian Federation. If you wish, this is a document of the coordination of two constitutions: Where they do not coincide, both sides are guided by the provisions of the treaty. So, this is a mutual compromise. Therefore, Russia itself does not raise the fact that Tatarstan, say, must amend its Basic Law, just as we in turn proceed from the fact that within the scope of delegated powers Tatarstan can get along with the Russian Constitution. But if we took the path or were forced to take the path of revising the provisions of our constitution, then we simply could not arrive at an agreement.

I must say frankly: The new Russian Constitution is basically decorative-federative. Even a majority of Russian political scientists talk about this openly, and those who do not say it, confirm it with their silence. In fact, this is the constitution of a unitary state and, therefore, we did not agree to recognize its action on our territory. But it has been adopted and has become a reality. So the signing of the treaty, which has been ascribed predominant meaning, is a fact of enormous political significance for Russia as well: After this it in fact stops being a unitary state.

[Sabov] But, after all, according to your logic, this is no more than an exception: Tatarstan is only one of the 21 republics in the system of the Russian Federation...

[Shaymiyev] In this case, it is the first step toward the renewal of the democratic Federation of Russia. By the fact of signing the treaty, it stopped being a unitary state not only with respect to Tatarstan but, no less important, also with respect to itself.

[Sabov] But with respect to other regions?

[Shaymiyev] It is still unitary. But so that an empire of lesser dimensions did not arise in place of the USSR, a precedent was important for this: to disrupt the unitary thinking that was already elevated to the constitutional level. Incidentally, a long ago time we proposed at the Council of Heads of Republics: Let us voluntarily unite and create a strong federation. This would remove the tension and suspicion in the relations of Russia with its previous autonomies that took on the status of republics. But the fear intruded: What if after the collapse of the Union the very same fate befell Russia as well... As soon as we did not succeed in starting the collective treaty process, we had no choice left: We came to an agreement with Russia by ourselves.

[Sabov] Well, fine, the treaty prevails over the two constitutions... But out of 21 republics, it seems, seven have declared the supremacy of their own laws over all-Russian laws. Is this really not a path toward disintegration?

[Shaymiyev] Yes. But this danger can be avoided, if the republics conclude treaties with the Federation. For example, in our case the concept of the supremacy of laws was transformed entirely. In those powers that we delegated to the exclusive or joint jurisdiction of the Federation, the supremacy of the Russian Constitution is unconditionally recognized. But where the treaty grants exclusive powers to Tatarstan, the principle of the supremacy of its Basic Law is just as firm.

If the Federative Treaty became a part of the federal constitution, which the regions tried to achieve at one time, then possibly the powers could be more or less accurately demarcated and delegated—from the localities to the center, and vice versa. Incidentally, the first draft of the constitution was drawn up in precisely this spirit. But then it was thrown out! But the Federative Treaty simply was not included in the new, final text of the constitution, which made it a document of an unclear juridical nature. Its weakness is that it does not provide a mechanism for the implementation of powers. In contrast to our treaty, which we accompanied with 12 agreements—on questions of defense, ecology, higher education, etc. We now know precisely which questions are "ours" and which are "not ours."

[Sabov] To end the subject of the Federation: How do you see the problem of krays and oblasts in Russia joining it?

[Shaymiyev] I think that the signing of the Federative Treaty with krays and oblasts was a mistake in principle. Russia itself should have come out as one state, as a component of the Federation that united all of its administrative entities. The priority then is something else entirely: the economic equality of the republics, on the one hand, and of the krays and oblasts on the other.

[Sabov] It is written in your treaty with Russia: Tatarstan is sovereign on the question of establishing its own state institutions and structures of authority. But, in contrast

to a majority of the regions of Russia, you have not yet removed the so-called soviet authority.

[Shaymiyev] The entire path we have traveled in three years: the Declaration on State Sovereignty, the constitution, and the program of economic reform in the republic—all this was done with the very close participation of the Supreme Soviet, which was elected at the time under a one-party system. As the head of the executive authority, I can say that we did not have any confrontation with the legislative authority, and there is none. Of course, problems arose, but they were resolved with the assistance of conciliatory commissions, or the deputies themselves demanded the intervention of the president.

[Sabov] But, after all, life has changed! New parties have emerged, and they are demanding their own place in political life...

[Shaymiyev] True. However, should this be done by means of the dispersal of the old organs of representative authority, and is it not better to prepare a planned and painless transition to a multiparty political system? We are preparing for such elections. For this, it is necessary first of all to adopt a new election law. Three variants of it have already been proposed, but not one has passed yet. All that remains is to come to an agreement on the principles of this reform.

[Sabov] And when does the term of power of the Supreme Soviet expire?

[Shaymiyev] In March next year. Thus, we still have almost a year to go. We will hold new elections at the end of 1994 or beginning of 1995. On a multiparty basis, of course.

[Sabov] In this connection, Mintimer Sharipovich, a question about the opposition: Alas, it is reprints from its articles in the Russian press that have so damaged Tatarstan's reputation in public opinion. What today is the real weight of the national-radical opposition in the republic, and will it in the future be able to become a destabilizing factor in relations between Tatarstan and Russia?

[Shaymiyev] We have more than one opposition. There are two: the Tatar national-radicals, and, as they call themselves, the "Russian Federalists." Both of them stand on extreme positions. From the very beginning, the Federalists were up in arms against our sovereignty: We do not need any kind of "Tatarstan state," and it is not necessary to renew the Federation. That is, in fact, they are for a unitary Russia. The national-radicals are at the other extreme: the complete independence of Tatarstan, no kind of federation with Russia, Russia is simply "a neighboring state." They met the fact of the signing of the treaty with hostility: They declared a boycott of the elections, they began to collect signatures for the recall of the president as a "traitor of Tatarstan," etc. But here is what is indicative: Today, at the expiration of three years of political transformations in Tatarstan, there is less

public support for them than there was at the beginning! Their extremist slogans lost their attraction. Pardon me if I refer to myself without false modesty: On 13 March in the elections to the Federation Council of Russia I received 204,000 more votes than I did three years ago, when I was elected president of Tatarstan.

The centrist niche is occupied—it is occupied by the policy of the president and other official organs of the republic. This makes it that much more difficult for extremists from one or another kray to position themselves. Shaymiyev or no Shaymiyev, it is not a matter of personalities: Only a person with firm centrist positions can be the president of Tatarstan.

[Sabov] By virtue of the multiethnic composition of the population?

[Shaymiyev] Unquestionably. After all, our Tatar and Russian population is practically half-and-half, and each third family is mixed.

[Sabov] Nevertheless, the opposition is raising the question of the establishment of a monoethnic Tatarstan?

[Shaymiyev] It used to. But it has already dropped this slogan. Tatarstan's self-isolation, against the background of difficulties, most of all in the economy, would add new incredible difficulties for us. Why complicate people's life? For the sake of someone's political ambitions? Permit me to express in confidence: The example of the treaty that was concluded by Tatarstan and Russia will also find an echo beyond the borders of our Federation. You will recall that Gamsakhurdia came to power after receiving almost 99 percent of the votes. It seemed: How easy it is to resolve questions in a mononational state! However, it is easy to get ill with nationalism, but it is far more difficult to recover from it, as we see from the example of Georgia and Moldova. To work in a multi-national environment is more difficult, but during the years of my presidency I have understood that multi-nationalism is a great blessing. And you begin to especially appreciate this blessing in such difficult times as ours, when the very social foundations are changing. It is not accidental that the concept of the "people of Tatarstan" is present in our constitution, and not the "nation of Tatarstan." And two state languages. After all, why did such discord occur in Moldova? Because of the temptation to impose one state language on a multinational population.

[Sabov] Is the Russian-speaking population of Tatarstan excepted from the difficulties it is experiencing in the former republics of Central Asia, the Caucasus, and the aforementioned Moldova?

[Shaymiyev] A question for your question: Have you seen refugees from Tatarstan anywhere in Russia or in the CIS countries? On the other hand, more and more are coming to us. Of course, 75 percent of them are Tatars who have left their place of residence, but the rest are basically Russian. Nevertheless, even here a certain

tension has been felt in the relations of the two communities. This came both from the intrigues of radicals and from the continuous displays on television of the hot spots in the CIS... Therefore, even on the purely human plane, the fact of the signing of the treaty with Russia is very important: It finally dispelled the anxiety of Russians over their position in Tatarstan.

[Sabov] My fellow-traveler on a train, a young doctor, a Tatar, admitted: "The establishment of the Tatar language as the only official language would be a tragedy for me." Here is an absolutely unexpected aspect of the problem: Tatar youth and a Tatar intelligentsia who are not fluent in their own language!

[Shaymiyev] Yes, two languages are recognized here as official, but the Tatar language now needs help. After all, office work and training are conducted in Russian, not to mention the fact that everyone speaks Russian. It was a pleasant surprise for me to learn that many Russian families sent their children to groups we opened up for the study of the Tatar language.

[Sabov] Is it true, as was written by Russian newspapers, that demands were heard at the World Congress of Tatars for the creation of a national parliament (a little majlis) as a kind of parallel government of a "Great Tatarstan"?

[Shaymiyev] This did not happen! We viewed the World Congress of Tatars from the very beginning as a measure that was not political but strictly cultural. There are about 7 million Tatars in the CIS countries, and less than 2 million in Tatarstan. There are large Tatar communities in the United States, Australia, Finland... Like every dispersed people, we are also endeavoring to "find" each other, so that we may preserve our culture, language, and ethnos together. Even the opposition in the course of this congress did not dare to put forth the idea of a "World Government of Tatars." I especially thanked the Russian population, the Russian part of our people, for the fact that I did not see even a shadow of dissatisfaction on their faces when we conducted this congress here in Tatarstan. After all, there could have been a different reaction: They assembled Tatars, it is said, from the whole world, expect oppression... But when the authorities do not play to the gallery and do not tell lies, then the people understand everything. Of course, here in Kazan the opposition created its own little majlis. But this is an illegitimate organ, not elected by anyone, and according to its own official registration it is an ordinary public organization. Moreover, believe me, with insignificant influence.

[Sabov] But what as a result does the treaty promise in Tatarstan's economic plan which, incidentally, is constantly called a debtor of the central budget? Have you rejected your tax obligations to the Federation?

[Shaymiyev] Well, no, everything is being done in a different way. Henceforth, we will collect republic taxes ourselves, and we will submit that share to the federal budget that is necessary for the implementation of

powers transferred there. Or for the conduct of joint federal programs; for example, the building of a bridge across the Kama. After all, the transportation of all Russia will move across this bridge, not only ours.

You asked about our new economic advantages. Here is an example. Russia is now tormented with nonpayments. Everyone says: It is necessary to establish a system of bill of exchange settlements immediately. They say this, but do not do it! As a result, thousands of enterprises in Russia have stopped work. Of course, nonpayments are hitting the economy of Tatarstan hard also, when it is a matter of foreign accounts. But we have resolved this problem inside the republic: We have a bill of exchange in circulation whose guarantor is the government. Here is a specific advantage of the economic independence of the republic.

Another example: specifically directed social protection of the poor. A summary is laid on my desk every day on the correlation of minimum expenditures and incomes of the population. For example, according to the status on 1 February, the subsistence minimum in Tatarstan was 29,000 rubles [R]. But the minimum level of wages for Russia was R14,700. As a result, almost a third of the population of the country ended up below the poverty line. But is this really fair—to pay people half of the subsistence minimum? The Supreme Soviet of Tatarstan increased the minimum income per person to R30,000, which is the law for our commodity producers. As a result, I make so bold as to hope that not one person in Tatarstan is living below the poverty line.

Go into a store: Products are cheaper here than in Russia. We have not dissolved our kolkhozes, as an edict of the Russian president at one time demanded of us. We did not cut the number of cattle. For the second year we have an increase in the production of agricultural products. We stopped, as before, saluting the federal authorities. We resolve questions that, according to the treaty, remained in our jurisdiction in a way that we find reasonable under our conditions. This does not mean, for example, that we are for the perpetuation of kolkhozes. We prefer another policy: That is, kolkhozes should help put farmers on their feet.

Or the question of the fight against crime. It has taken on such scope everywhere that it is no longer possible to fight it without emergency measures. And we have undertaken such measures. We passed a resolution to detain suspects not for three days, as is allowed by federal legislation, but for 30 days. The solving of crimes has increased sharply. I can tell you that they are now coming here from Moscow "to study the experiment" in keeping crime in check...[end Shaymiyev]

While bidding farewell, M.Sh. Shaymiyev said:

"But you know, I have a guest tomorrow: President of Crimea Yuriy Meshkov is flying in."

The purpose of the visit, it seems, is clear. Is there not a need there also, in Ukraine, for a breach in the wall that divides the "center" and the "outlying districts?"

Tatarstan Construction Industry Work Reviewed

944F0508A Kazan IZVESTIYA TATARSTANA
in Russian 30 Mar 94 p 1

[Article by Tatyana Korneyeva under the rubric "Situation": "Building a House Is Not a Big Deal—or Is It?"]

[Text] Many participants in a republic-wide conference of builders, which was held last Friday by Tatarstan Republic Prime Minister M. Sabirov, termed the current condition of the construction complex of the republic critical.

Awash in Debt

In 1993, only seven facilities were commissioned out of the 30 that had been slated to be commissioned. The capacity that would have made it possible to increase the output of foodstuffs and construction materials failed to be commissioned; we did not succeed in increasing the commissioning of residential buildings and facilities for social, cultural, and consumer services, despite increasing the proportion of funds invested in that sphere.

Last year, buildings with an area of 1.275 million square meters were built, which comes to 88 percent of the 1992 level.

The main failures in the commissioning of housing occurred in Naberezhnye Chelny. Out of 148,000 square meters promised by the mayoralty of Naberezhnye Chelny, the city checked in with only 32,400 meters. A projection of the KamAZ Joint-Stock Company did not come true. The main customer for housing in the city failed to commission a single square meter. The problem in Naberezhnye Chelny lies in a genuine energy crisis which has developed there. The shortfall in heat generation comes to 37 percent. This prevents not only the hooking up of new consumers of heat but even the normal operation of the existing housing stock. However, work at the complex of the central boiler plant, which is slated for commissioning, proceeds at a slow pace.

The output of the construction materials industry continues to decline. Last year, the decline came to 18.6 percent compared to 1992. Difficulties in the placement of products in conjunction with reductions in the volume of construction are one of the reasons.

Tatarstan Republic Prime Minister Mukhammat Sabirov, who made a report at the conference, referred to the high rate of inflation, a cutback in budget expenditures, and the striving of many managers in the construction complex to manage in the old way and maintain the strength of the work force through, among other things,

"eating away" at the fixed assets as the causes responsible for the slump in investment activities.

The crisis of nonpayments by customers, which is growing worse, is a most serious problem. As of 1 January 1994, the indebtedness of customers came to R185.1 billion, out of which about one-half was defaulted debt. The rate of growth of nonpayments and the proportion of defaulted debt in construction were the highest in the national economy.

Just as in construction, the nonpayment crisis has become aggravated in the construction materials industry. As of the beginning of 1994, the indebtedness of buyers for goods, work, and services came to R19.2 billion, and the debt to suppliers—to R18.9 billion (of which the debt in default accounted for 45 percent).

In response to numerous questions from participants in the conference concerning prospects for the elimination of the debt, M. Sabirov promised to pay all debts of the Republic of Tatarstan Cabinet of Ministers UKS [Capital Construction Administration] by the beginning of April. However, he did not support the notion of introducing mutual-offset arrangements, citing the extreme technical difficulty and, correspondingly, ineffectiveness of this procedure.

The main task, said the speaker, is to modify the mechanism for attracting and using financial resources. In the current year, priority support will be granted to the sectors which must ensure the stabilization and steadiness of functioning of the economy of the republic. We must be prepared for the scope of financing out of budgetary funds to diminish. Investment out of the funds of enterprises will not increase, either. It has been proposed to use the funds of commercial banks and foreign investment in order to stabilize the volume of capital investment.

Are 'Projects in Progress' Forever?

M. Sabirov called the growth of "projects in progress" a heavy burden on the economy of the republic. As of the beginning of 1994, roughly R1.3 trillion in prices in effect were "tied up" in such facilities. The prime minister stressed that there is only one way out of this situation: to commission, whatever it takes, the facilities under construction at which work is highly advanced and whose operation can generate profits quickly. Some of the "projects in progress" can be sold to domestic and foreign entrepreneurs on a competitive basis. However, developers are not interested in such sales because the lion's share of proceeds frequently does not end up in their wallets but rather, for example, in the privatization fund of the republic. This was the case with the sale of a concert hall in 1993, when the administration of Kazan received only 30 percent of the cost of the facility.

Enterprises and organizations are in no hurry to put up "projects in progress" for auctions because of, among other things, the rapidly growing prices of real estate. In turn, potential buyers are restrained because of the

absence of property rights to the parcels of land under the facilities purchased. Apparently, it is necessary to develop and introduce a package of regulatory documents which will stimulate the commissioning of facilities, impede the growth of the volume of construction in progress, and invigorate the market for construction products. In conjunction with this, the proposal was aired at the conference to lay a tax on idle property at all facilities whose construction is in progress.

The State Property Committee of Tatarstan is now preparing a draft decree on measures to reduce the number of facilities at which construction is in progress. As was stated, the decree will envision devices to influence enterprises and their managers.

All of this may be commendable, but it is worthwhile to recall that in the USSR, they were fighting "projects in progress" in capital construction with all their might over the last 30-40 years; meanwhile, their volume increased year after year....

Housing Policy

The bold and quite controversial idea that it is precisely housing construction that can restore the health of the republic's economy as a whole within a short period of time was stated at the conference. To this end, a special-purpose program, "Housing," is being developed in the Republic of Tatarstan; single-family housing construction should become one of its main areas.

Well, those wishing to build their own housing are indeed numerous here. However, as M. Sabirov noted, given its current cost, the population of the republic is unable to build single-family dwellings without support from the state. Such support is envisioned; it will be expressed in the allocation and sale of parcels of land, easy loans (interest-free and low-interest), tax relief, and the introduction of mortgage financing. It is expected that a family of average affluence will be able to buy out housing built on credit, on the pledge of real estate, within 25-30 years. M. Sabirov stated that easy loans for those wishing to build housing will be issued very shortly.

However, it is important in principle that the right of low-income citizens to improve their housing conditions in keeping with waiting lists will continue to exist at the same time. The only question is with what funds such housing will be built and, correspondingly, to what extent. The introduction of preferences for investors is envisioned, in view of the fact that we cannot manage without attracting off-budget funds into housing construction. The preferences include the transfer of residential buildings to be remodeled to entrepreneurs on the terms of 100-percent financing, with the subsequent transfer to them of up to 30 percent of the total space as their property; the sale of dilapidated and unoccupied housing stock to entrepreneurs and the use of up to 30 percent of the space at their discretion; the construction of housing and allocation of parcels of land through tenders.

The "Housing Initiative" corporation which has been established in the republic is developing a program for attracting off-budget entities and mortgage investment systems to housing construction and to the upgrading of the dilapidated housing stock. The first Joint-Stock Mortgage Bank in the republic is already being created (founded by the Tatsotsbank, the "Housing Initiative" corporation, and the Kazzhilgrazhdanstroy PSO [Production and Construction Association]). This bank will extend long-term credit for the construction of civil and industrial facilities on the pledge of real estate. "Housing Initiative" proposes to build commercial housing, sell it at auctions, and reinvest the proceeds into new construction.

The switchover to low-rise buildings is one of the directions of the new housing policy. This will make it possible to use cheaper local materials more extensively and to use less expensive small-size construction equipment. It is necessary to change the output mix of some facilities at prefabricated concrete plants and other industrial enterprises in the construction sector which are geared toward medium- and low-rise [as in the original] housing construction.

As a result, the tenor of the conference turned out to be approximately like this: Everything is bad, but we cannot just lay down and die. We must work and look for a way out. Well, the ability of builders to "take the blows" of fate is commonly known. It is a pity that with every passing year it is becoming increasingly difficult to answer what was once a humorous question: Is it a big deal to build a house?

Directive on Working Group on Cossacks

944F0522C Moscow ROSSIYSKAYA GAZETA
in Russian 31 Mar 94 p 4

[Directive of the Russian Federation Government, signed 25 March 1994]

[Text] 1. R. G. Orekhov, director of the Russian Federation president's State and Law Administration; A. G. Yegorov, deputy director of an administration of the Russian Federation Security Council; A. S. Lagutin, chief of a department of Russia's Ministry for Nationality Affairs and Regional Policy; A. S. Mironenko, director of a division of the Ministry for Nationality Affairs and Regional Policy; F. I. Khilchenko, senior consultant with the Federal Counterintelligence Service; and V. I. Bogoslov, V. N. Ratiyev and S. A. Smirnov-Zhivoy, representatives of the Cossacks, are to be included on the membership that was confirmed by the Russian Federation President's 8 May 1993 Directive No. 319-rp of the working group for preparing a draft Charter of the Russian Cossacks, while R. A. Dolotov, K. Kh. Ippolitov, V. P. Kononov, A. A. Kotenkov, N. S. Nechayev and A. A. Mostovoy are to be removed from its membership.

2. The leadership of the working group for preparing a draft Charter of the Russian Cossacks is to be assigned to

R. G. Orekhov, director of the Russian Federation President's State and Law Administration.

3. Paragraph 2, Point 1, of the Russian Federation president's 8 May 1993 Directive No. 319-rp is to be considered to be no longer in force.

4. This directive enters into effect as of the time of its signing.

[Signed] President of the Russian Federation
B. Yeltsin
25 March 1994

No. 153-rp

Reorganization of Territorial Affairs Department Viewed

944F0503A Moscow *OBSHCHAYA GAZETA*
in Russian No 12, 25 Mar 94 p 8

[Article by Aleksandr Protsenko under the "Changing of the Cadres" rubric: "The Governors Have Dumped Their Curator"]

[Text] Having familiarized himself with Boris Yeltsin's edict on the reorganization of the territorial affairs department of the president's administration, the head of this department, Nikolay Medvedev, took to his hospital bed. That is, already the department's former head....

The reorganization of the department had long been in the works, and that with the active leadership participation of Medvedev himself. However, at the last moment, an additional point appeared in the presidential edict approving the structural and compositional changes to be made, directing Sergey Filatov to engage in a search for a candidate to the post of UDT [territorial affairs department] head. Department officials were completely bewildered, for everyone knew that Medvedev was the protege of that same Filatov.

Nikolay Pavlovich appeared in the president's administration soon after the arrival there of Sergey Aleksandrovich, who even during his work in parliament had had his eye on the energetic and efficient chairman of the Soviet of Nationalities commission on national-state structure and inter-nation relations. Filatov was bothered neither by Medvedev's "classical" cosmopolitan-party past nor by the fact that Medvedev had never had the reputation of a "convinced Yeltsinite," but had in parliament begun with cooperation with the Communists for Democracy faction and had finished as a member of the Left Center—Cooperation faction.

Medvedev's promotion to the post of deputy head of the president's administration responsible for work with the territories was actively opposed by the leaders of Democratic Russia, who accused the promoted one of "insufficient democratism in his convictions" and of besmirching connections with the oppositionists. Nikolay Medvedev, for example, spoke out actively

against the democratic Mordovian [Mordvinian] President Guslyannikov. Some even assert that Medvedev voted for the impeachment of Boris Yeltsin.

Nevertheless, the appointment of Nikolay Pavlovich took place—in spite of, or perhaps thanks to, his aloofness, as it were, from the "president's team": Such a person, evidently, would have an easier time finding a common language with the heads of local administrations, far from all of whom were "Yeltsin's people."

It soon became clear, however, that it was precisely with the regions that Medvedev could not find a common language. Almost from the very beginning of his work, complaints rained down from the localities on the administrative-command management style of the new deputy head of the presidential administration. Evidently, it was that same "cosmopolitan-party past" of Medvedev's, to which Filatov did not pay attention, that made itself felt. Nikolay Pavlovich often tried to build his relations with the governors of the krais and oblasts of Russia on a "departmental" or "directive" basis. Medvedev became particularly active during the days of the September-October opposition, sending out "to the localities" threatening directives that warned about the "personal responsibility" of people whose support was necessary to the president, but whom Medvedev almost set against Yeltsin with his harshness and peremptoriness.

Even less satisfied with Medvedev were the president's representatives in the republics, krais, and oblasts. In the words of several of them, the territorial affairs department tried in every way to turn the representatives of the president into "state informants," but at the slightest conflict with the governors refused the president's representatives support.

All of this, apparently, served as a reason for Nikolay Medvedev's current dismissal from the post that he held. Although this dismissal also has its own logic: People of a "command style" were in demand in the administration during the period of tight territorial management, whereas now in the relations with the governors' corps, a little more sugar and a little less vinegar is needed—the times are not the same.

A successor to Nikolay Medvedev has not yet been found. But apparat life in the president's administration is not standing still: According to the latest information, by directive of Sergey Filatov, a new section is being created within the territorial affairs department, as whose head has been appointed Doku Zavgayev—former first secretary of the Checheno-Ingushetia Oblast Party Committee of the CPSU, who was divested of power by Khasbulatov for his support of the August putsch. A cadre, as they say, of proven worth.

Ulyanovsk Counterintelligence Successes Reported
*944F0503B Moscow ROSSIYA in Russian No 11,
 23 Mar 94 p 2*

[Article by Nikolay Maryanin: "The Federal Counterintelligence Service Will Defend the Homeland of the Leader"]

[Text] The territorial organs of counterintelligence do not mean to copy the structure of the Federal Service, but will have their own tasks depending on the regional problems.

This was reported in the local press by General Major Vladimir Shilimov, who was appointed, by edict of the president, head of the FSK [Federal Counterintelligence Service] department dealing with Ulyanovsk Oblast. Among the facilities evoking the sustained interest of the Western special services, he named the atom reactor scientific research institute in Dimitrovgrad; the Ulyanovsk engineering plant, where antiaircraft and missile complexes superior to the best foreign analogues are produced; the joint-stock company Aviastar, with its Ruslans and Tu-204's; and also the 104th airborne division, which was redeployed in Ulyanovsk last year and which is subject to NATO inspection. The Ulyanovsk security officers are also concerned about the appearance at several classified military units of Western religious preachers.

The head of local counterintelligence cited interesting facts from the life of the department. For example, last year several Western firms undertook an attempt to compromise the Ruslan airplane on the international market, but these efforts were thwarted by the Ulyanovsk security officers. And the imeni Volodarskiy machine-building plant intended to deliver to Armenia a line for the production of live cartridges. This illegal deal was also averted by local counterintelligence officers.

Dangers of Regional Economic Separatism Considered

*944F0528B Moscow ROSSIYSKIYE VESTI in Russian
 31 Mar 94 p 2*

[Article by Ernst Isaakovich Chernyy, expert at the Association of Independent Professionals, chairman of the Union of Independent Fishing Industry Representatives, candidate in geographical sciences: "Does the Coat of Statehood Fit the Regions? On the Danger of Separatism in the Economy"]

[Text] The simplest way to confuse any question is to introduce the principle of joint responsibility and joint administration. If several structures are concurrently answerable for the realization of some function, we may say with full assurance that confusion and muddle are guaranteed, and that in the "gaps" between the joint administration there will always be a place for abusers, for corruption and bribery. Considering the fact that certain

regional administrators assume functions which are characteristic only of the state, the danger of emergence of a new separatism is quite real, and Article 72 of the Constitution will present us with many more surprises.

The decline of the local soviets was characterized by a sharp increase in their politicization and a striving toward so-called "sovereignty" to the detriment of their obvious tasks: The creation of conditions for normal life of their electors—the taxpayers.

Many regional administrators even today believe that their sovereignty consists of "lowering" state functions to the level of the region, which after this appears to them as a reduced copy of the state. Then the policy of the region may, in their opinion, differ from the policy of the state, and especially the economic policy. This constitutes the primary error in some cases, and the fine calculation and intent in others. We will note that if there is an economic policy of the regions which differs from such policy of the state, then, in the normal understanding, the state simply does not exist.

Regional administrations want first of all to permit and distribute, rather than to develop the rules of such distribution which are known and understandable to all, and under which the subjective decisions of bureaucrats will no longer be needed.

Kamchatka Governor Biryukov, for example, believes that the oblast has not only its own economic policy, but also its own foreign economic policy. Attempting to hinder one of the enterprises in his oblast in obtaining permission for foreign economic activity, the governor writes to the minister of foreign economic relations: "The oblast administration categorically objects to the request by AO UTRF (the name of the enterprise), which runs counter to the foreign economic policy of the oblast." Can such a thing be? After all, foreign economic policy is an attribute only of state power, and it is reduced ultimately to developing principles of foreign economic interaction with various countries (preferential, common, discriminatory), concluding interstate treaties and agreements, and establishing a system of export-import tariffs and duties.

Can the regions themselves develop such principles? Obviously not. Otherwise, that which is prohibited in one region will be done through another, and the unified economic space specified in the constitution will simply disappear.

It is easy to note that the interests of individual regions may contradict each other. Here is the simplest example: A region which produces bread is interested in its export, while bread consuming regions are interested in having the bread remain in the country. Foreign economic policy is not the mechanical sum of the foreign economic interests of the regions and may exist only as an all-state policy, but one which takes into consideration the management-economic structure of the regions. Therefore, Mr. Biryukov's aspirations to his own specific oblast foreign economic policy are, in the very least, untenable.

They are untenable and contradict the constitution, as well as the wishes of the participants of the Khabarovsk Kray administration collegium to prohibit the export of food and other goods from its territory. Moreover, the law on enterprises and entrepreneurial activity is contradicted by the desire of the deputy head of administration of Primorskiy Kray to set quotas on fishing primarily for those enterprises which "bring more benefit" to the kray. And, after all, he, Novikov, as the former secretary of the CPSU raykom [rayon committee], knows better than others what is best for the kray.

Having assumed all-state functions, the regions often make decisions which are fraught with grave consequences for several generations of their citizens. The reason for this is political infantilism and, evidently, serious personal interest.

Here is a rather telling example. The governor of Sakhalin Oblast, Ye. Krasnoyarov, in his decree No. 284 dated 5 November 1993, granted the inter-regional joint-stock bank for economic cooperation (MABES) "Sakhalin-West", which had sprung up unexpectedly, was not known to anyone and not backed by its own assets, the status of a bank serving as an agent of the oblast administration for (and I quote) "organizing and coordinating work associated with the implementation of financing projects and programs for the socioeconomic development and reconstruction of Sakhalin and the Kurils." In section 3 of the decree, Ye. Krasnoyarov generously allocates the bank R100 million from the oblast budget (let us be frank—Sakhalin taxpayers' money) as the initial contribution to the MABES.

As an aside, we will note that the firm which Krasnoyarov managed before he became governor, "Pilenga-Godo," was one of the founders of this bank. Thus, the generosity by oblast Governor Ye. Krasnoyarov was of benefit to one of the bank's founders—the entrepreneur Ye. Krasnoyarov. It is an interesting story in economic independence. But that is not all. One of the subsections of section 7 of the decree is addressed to the government with a request to allocate preferential credit to the bank in the sum of R5 billion for a term of 5 years at a rate of 20 percent per annum. Have you noted any state interests here? Or what about Sakhalin interests? Well, are Gaydar and Fedorov not correct when they say that those who are "gratified" by the public wealth will drag away the entire budget to preferential credits for themselves and their good friends? If someone has remembered about inflation now, it would not be bad to understand that this is one of its visible components. And there are many such smart governors in Russia. Let us proceed further, since the crowning touch is section 5 of the above-mentioned decree. It should be quoted in its entirety, since the "intent" of the neophyte of politics and economics has become clear to everyone: "5. To allocate to the MABES 'Sakhalin-West' as a guaranteed security for obtaining foreign currency credit along the bank's existing credit line the export goods and raw material resources (fish and marine products, timber, oil, metals, etc.) which are at the disposal of the oblast

administration's territorial fund, as well as undeveloped mineral deposits (oil, coal, zeolite, facing stone, etc.), uncut forest areas and other raw material resources in the oblast in accordance with the established procedure." Section 6, which provides for the annual allocation of R1 billion and \$2.5 million to the bank from the oblast budget, appears as an innocent prank next to this.

Up until now, I believed that banks, "trading" in money, must themselves create their own assets and then give credit to interested parties at the appropriate interest rates. After Krasnoyarov's decree, I began to doubt this. We may hope that the underlying meaning of the governor's decree is understandable even to those who are not experienced in politics and economics. If a bank, having received many millions in foreign credit, "suddenly" finds itself insolvent, then everything that is listed in the above-mentioned section 5 will become the property of the foreign creditor or will demand immediate repayment of the credit from the state budget, i.e., at our, the taxpayers', expense.

Are there any other questions about Ye. Krasnoyarov? Perhaps only for the president's administration. After all, their appointments are too "exact." Ye. Krasnoyarov is by no means the only one. And so the doubt arises: Will such governors not drag the country away piece by piece? Is this not where the most refined separatism is formulated, which is indulged by certain federal departments, pursuing their own not quite unselfish interests?

In connection with the tendency to assume someone else's functions, we will try to understand what the economic sovereignty of regions ultimately consists of.

The fact is that we have always lived in a system where, due to the actual confiscation of the surplus product and taxes, all the funds collected by this method went into the highest level budget, and were then distributed by regions on the basis of "plan" guidelines.

It is necessary to re-create the principle under which each region will supply itself with all that is necessary (by producing or buying). After all, living in a country, republic or oblast, we are in fact living in an entirely specific region. It is only here that we need a home, municipal services, roads and schools. What good are statements to the effect that we have free education if there is no school in a specific village? Can Bratsk develop normally if out of the R100 billion in taxes collected here it gets only R20 billion? Improvements are possible if the very concept of taxes includes the principle of their divergence, or payments made by the lower budgets to the higher ones.

Under such a tax structure, the regions on whose territory billions of rubles worth of products are produced will cease to be constant humble supplicants. It is obvious that only the rich regions are able to support central administrative organs, an army and other structures. At the same time, the state expenses themselves must be significantly reduced.

It seems, however, that the economic sovereignty of regions consists only of the right to collect taxes and use them for the benefit of the citizens living on their territory. This is really a basic necessity, because it is imprudent to collect taxes in the regions, to "take" them to Moscow, and then to distribute them throughout the regions as budget allocations or subsidies. Other economic functions belong either to the state, or to the enterprises. The task of the local administrations, then, is not to "drag and prohibit," but to create such conditions under which the effect from the activity of enterprises and citizen taxpayers would be maximal. There is no need, and it is simply dangerous, to equate state regalia to the uniform of the region.

Moscow Mayor Luzhkov once said about himself: I am an economic manager! These are the right words. Especially now, when most of the managers of the regions are former directors who think that the state is simply a large factory or kolkhoz [collective farm]. The Gaydars and Fedorovs know what buttons to push in order to get the necessary result thousands of kilometers away from the "control panel." This is economics. We, the "wise" voters, have with our votes helped to remove market economists from management of the economy. If we are now controlled by the Biryukovs and the Krasnoyarovs, we have no one to blame but ourselves.

Tula Oblast Coal Mine Financial Difficulties Viewed

944F0501B Moscow *IZVESTIYA* in Russian 29 Mar 94
p 4

[Article by journalist Sergey Zhdakayev: "Mine Strikes Advantageous...to the Government?"]

[Text]

We Want To Work, but Not for Free

Tula—Eighty shaftmen from the Beltsevskaya mine refused to come to the surface. As a sign of protest against detention of pay.

"This is not a strike," stated trade union leader Sofya Sirotina in clarifying the position of the miners. "It is an act of protest. We want to work, but not for free. They have not paid us since December."

Contrary to directives, but in accordance with her trade union duties, Sofya Vasilyevna descended to the mine drift with the workers and sat five days underground while the management tried to find money.

"If today they find the money for Beltsevskaya," stated Leonid Zavodchikov, general director of the Tulaugol association, in predicting the possible development of events. "tomorrow the entire basin will 'stand down.' The budget owes us 38 billion, but the government is not even thinking about settling with us."

Leonid Vasilyevich's prediction partially came true. When the December-January pay made its way from the

bank to Beltsevskaya, the Zapadnaya mine went on strike. Mostovskaya and Progress joined in the next day.

Responding to the question of what demands were being made by the miners, V. Terekhov, chairman of the trade union of Zapadnaya mine, stated that the demands were not yet formulated and a strike committee had not even been organized. The strike took place spontaneously. The main demand was wages. But rejoinders are already resounding on early presidential elections and resignation of the government.

Existence Determines Consciousness

In the opinion of L. Popov, chairman of the territorial committee of the trade union of Tulaugol association coal miners, the degree of readiness for a strike is determined by many factors, and the issue of wages does not always play the decisive role among them.

Vorkuta mine workers can obtain food products only from the store. But in the Moscow area, the miners have garden plots, and so obtain potatoes, vegetables, often pork. This substantially alters views on conducting strikes. "Some are prepared to strike today," L. Popov states. "About 30 percent are in this category. Others promise: 'We will support you.' Then there are those who say: 'We have not yet determined our position.' And still others see no sense in any of this. At least now there is something to demand. But when we just strike the time away, there is nothing to get out of it. The Lipkovskaya mine, for example, has consistently avoided strikes all these years."

Even within the framework of one collective there is divergence of opinion. One example from the plans division of the Zapadnaya mine: Underground equipment operator D. Shreyder writes up a petition every time—"I request that the administration guarantee me work, since I do not wish to strike." It turns out that one of Shreyder's division coworkers sympathizes with him. Another, on the contrary, supports the strikers, believing that necessity has pushed them to this point.

A Tool for Burying Money

L. Zavodchikov attests that there are mines in the Tulaugol combine that are subsidized to the extent of 98-100 percent by the state, i.e., they operate for themselves alone. Hundreds of people go underground, hack their way through the seam, ingest the dust, and move coal to the surface which then undergoes combustion to heat up their own mine shafts. An ideal tool for burying the taxpayer's money.

Nor are the ordinary mines, those that are "average" according to indices, enriching the country. At Zapadnaya, for example, 1,246 people are supposed to extract (according to the plan) 786 tonnes per day, but they actually extract 270 tonnes. In this regard, the production cost of a tonne of coal is around 40,000 rubles [R], while the selling price is R9,000. For the combine in

general, over 80 percent of the coal production is subsidized by the state. "In fact, we are budget workers," L. Zavodchikov admits.

In other words, the coal sector is the operator's locomotive, which collides by inertia with the financial stability of the state. In this manner, assertions that mine workers "make their living at the expense of the old people" are doubly justified. And this is where one sees dramatic theater in the coal industry. It is just that in one instance the old people are real, and in another—abstract.

Paradoxical as it may seem, today strikes conducted by the miners are advantageous to the government. The less the miners work, the less is the detriment to the budget. And judging from all appearances, the government is aware of this.

There Will Be No Easy Decisions

The ineffectiveness of strikes will hardly force miners to abandon fighting for their rights. "The mood is very bad," asserts V. Terekhov, chairman of the trade union of Zapadnaya mine workers. "People are prepared to resort to the most extreme forms of opposition."

And so, the respite the government has received will hardly be long. And its choices are not great.

The best alternative would be to part from the miners in civilized fashion, i.e., close down mines that are especially unprofitable, pay compensation, retrain the people, and create new job positions. It is this path that is envisaged by the state program for readjustment of the coal industry developed by the government.

This path has only one shortcoming—it is too expensive. According to Popov's assessments, shutting down even a small mine would require R36 billion. And when you take into account the fact that this applies to over half the mines in the Tulaugol combine, it then becomes "more advantageous for the state not to shut them down, but just let them quietly keep operating."

Unfortunately, this "inexpensive alternative" also has its defects. First of all, it does not solve the problem—it postpones resolution. Secondly, it is not really that inexpensive. For normal operation of the sector, L. Popov believes, you need R11.6 trillion. But the new budget has put up R5.6 trillion.

The difference between these figures constitutes the main topic of dispute today between government leaders, on the one hand, and the sector lobbies and trade unions, on the other.

In the event the sector lobby is victorious, the black hole in the economy into which trillions are being poured will be preserved. But if the budget prevails, mines will start being shut down. With all the consequences this entails. There is no painless resolution here, but there is a choice between reassuring and hopeless prospects.

Volgograd Oblast 1993 Economic Statistics Reported

944F0505A Volgograd VOLGOGRADSKAYA PRAVDA in Russian 8 Feb 94 p 2

[Volgograd Oblast Statistical Administration report: "The Oblast Economy in 1993"]

[Text]

Finances

According to figures from the oblast financial administration, in 1993 the consolidated oblast budget posted a surplus of R10 billion [rubles].

According to the Central Bank Main Administration, credit investment in the oblast at the beginning of the year was R306 billion and increased by a factor of four in comparison to 1992. The loans extended are being used primarily for current needs rather than investment purposes. The proportion of long-term loans in the overall volume of credit investment was just 9 percent.

In the first 11 months of 1993 enterprises and organizations (not including agriculture) posted profits of R463 billion. Despite the significant increase in profits (by a factor of six as compared to the previous year), there was no real improvement in enterprises' financial or commercial operations due to persistent inflation. One enterprise in five in the oblast is operating at a loss.

The financial situation of enterprises and organizations is further complicated by the unsettled status of mutual payments. Mutual nonpayment has slowed the flow of goods and resulted in difficulties obtaining essential raw materials. At the start of December 1993 the unpaid debt of enterprises in the key sectors of industry, construction, transportation and agriculture to suppliers for goods and services was R222 billion, which is 4.2 times more than the enterprises' available funds. Unpaid debts to those enterprises for products shipped by them totalled R290 billion.

The payment crisis is preventing a solution to the problem of timely payment of wages and other payments. This problem is particularly acute in the agricultural sector.

Privatization

Over the past year more than 600 enterprises in the oblast have been transferred either partially or entirely to private ownership; of these, 36 percent were in retail sales and food service, 31 percent in industry, 20 percent in customer services, and 11 percent in the construction industry.

At the start of 1994 a total of 24 vehicular enterprises had been privatized, as well as one rail transportation enterprise.

Privatization of enterprises in 1993 yielded revenues of approximately R4 billion in cash and more than 350,000 privatization vouchers.

Since the start of privatization more than 217,000 apartments have been privatized in the oblast, or one-third of all housing slated for privatization. A total of 119,000 apartments were privatized in 1993.

Agricultural reforms continued. In the past two years 486 kolkhozes and sovkhozes have re-registered, and of these 375 were reorganized. A total of 230 companies with limited liability, closed-type joint-stock companies and mixed companies have been created out of them, as well as 39 agricultural cooperatives, 12 farming subsidiaries belonging to industrial enterprises, three open-type joint-stock companies, 24 private farm associations and 4,214 independent private farms.

At the start of 1994 there were 10,614 private farms with a total of 886,600 hectares of land.

Price and Rate Indexes

Over the past year retail prices and rates for goods and services sold to the public increased by an average factor of 11.

During the year food items increased in price by an average factor of 10. The largest price increases were for bread and dairy products (factor of 18), meat products (more than 10), eggs (eight) and sugar, pasta and cereals (four to five).

During the year prices at city markets increased by an average factor of nine, with prices for milk, eggs and vegetables rising by factors of 15-24 and prices for meat and butter increased by a factor of 10.

The cost of a consumer basket of the 19 most important food products was 8.7 times more in December 1993 than in December 1992.

Among nonfood items, the greatest price increases for the year were for medicines and chemical products (by a factor of 28), fuels sold to the public (22) and detergents (16). Prices for shoes, clothings, fabrics and electrical appliances all increased by factors of 7-10.

Paid services to the public increased in price by a factor of 21 over the past year.

During the year consumer services rose in price by a factor of 13, including sewing and repair of sewn items (by a factor of 22), beauty salon and photographic services (almost 20) and dry cleaning and refrigerator repair (14-15).

Wholesale prices for manufactured goods were on average 10 times higher in December 1993 than in December 1992.

The Social Realm

According to preliminary figures the oblast population at the beginning of 1994 was 2,670,000.

During 1993 the demographic situation in the oblast remained extremely negative. Natural population loss began in late 1991 when the mortality rate first exceeded the birth rate. This trend, growing markedly stronger, continued through 1993, which was even more negative in terms of natural population reproduction. There was a further significant decline in the birth rate and an increase in the mortality rate.

In 1993 a total of 26,000 people were born in the republic, and 37,000 died. In comparison with the previous year the number of births decreased by almost 3,000, or by 10 percent, while the number of deaths increased by 5,000, or by 15 percent.

The primary causes of death remained diseases of the circulatory system (58 percent of all deaths) and oncological illnesses (17 percent). In third place (13 percent) was death by unnatural causes. In comparison to 1992 this figure increased by 25 percent, with accidental alcohol poisoning up by a factor of 1.8 in 1993 in comparison to the previous year. The number of homicides increased by 20 percent during the period, and the number of suicides by 22 percent.

Natural population decline totalled more than 11,000 and was observed in the cities of Volgograd, Volzhskiy, Kamyshin, Mikhaylovka, Uryulinsk and Frolovo, as well as in 27 out of 33 of the oblast's rayons. Only in Bykovskiy, Kamyshinskiy, Nikolayevskiy, Pallasovskiy and Staropoltavskiy rayons was there a slight natural population increase due to a higher birth rate.

Despite the natural population loss the oblast's population increased by almost 10,000 in 1993. This was due to a positive migration balance, in which the number of people arriving to take up permanent resident in the oblast exceeded the number of those leaving.

In recent years there has been a change in migration flows, resulting in a reduction of the outflow of population from rural areas observed in the late 1980's. Recently the size of the rural population has begun to increase due to migration from other regions and moves by the city's urban population.

The city of Volgograd's population continued to decline. At the start of 1994 the number of resident population, according to preliminary data, was approximately one million and declined during the previous year by almost 2,000, as migration-based growth was unable to compensate for natural population loss.

Employment

As of 1 January 1994 a total of 1.2 million people were employed. Of these, 30 percent were employed by enterprises under private ownership.

According to figures from the Committee on Labor and Employment, a total of 25,400 people applied for job placement, and of that number 21,500 were not currently employed. Of those seeking work more than one-third were young people between the ages of 16 and 29. Over the past year the employment service placed 14,200 people, or 59 percent of applicants.

At the beginning of the current year the number of unemployed persons was 4,100, mainly women. Unemployment benefits were being paid to 3,100 unemployed persons.

On 1 January of the current year the number of job openings at enterprises was up by a factor of 1.3 over January 1993, with 12 unemployed citizens for every 10 job openings.

During the January-December 1993 period 254,700 individuals left jobs at enterprises and organizations in the oblast, or 25 percent of the average number of employees registered, and of this number 14,000 were laid off. For 1993 as a whole latent (concealed) unemployment was higher than officially reported unemployment. In 1993 a total of 128,000 people were sent on unpaid leave at management's initiative, and 41,300 people were forced to work part-time due to shortages of materials.

Income

The public's income in 1993 totalled more than R1 trillion, which was 10 times more than in 1992. This yielded an oblast per capita monthly average of R32,000 last year. In December this figure was R65,000.

The average monthly income of one employee in 1993 was R53,000, with pay of R58,000 in industry, R49,000 in agriculture, R67,000 in transportation and R68,000 in construction.

In December of last year employees' average monthly income was R127,000. The income of persons employed in health care, education and culture remained at 25-30 percent below that level.

The Consumer Market in Goods and Services

The volume of consumer goods production in actual 1993 prices was R491 billion.

The drop in output relative to last year in comparable prices was 16 percent.

Over the past year cotton fabric production decreased by 29 percent and footwear production by 41 percent due to insufficient supplies of raw materials (cotton fiber and leather).

Light industrial enterprises showed a decline in their output of knitted and sewn goods (suits, dresses, skirts, shirts and hats). The largest decline was in production of children's wear (by 24-53 percent).

Production of food products decreased by 13 percent in comparison to 1992. There was a drop of more than 15 percent in production of meat, butter, pasta and margarine.

The total 1993 sales volume for goods and services was R676 billion, 9.2 times higher than the 1992 level (in actual prices). However, the unaffordability of ever more expensive consumer goods for many segments of the population reduced acquisition of those goods. Actual sales volume declined by 26 percent.

Retail sales, including unregulated sales by private individuals, totalled R618 billion.

The proportion of food products in the retail sales volume of officially registered enterprises was 49 percent. In comparison to 1992 there were declines in purchases of salt, fresh and canned fish, margarine and sausage by 3-12 percent, of butter, cheese and eggs by 15-20 percent, of meat, poultry, sugar and canned meats by 21-26 percent, of fresh and processed vegetables by 30 percent, and of potatoes by 34 percent. In comparison to 1992 there was an increase in sales of vegetable oil, fruit and confectionery items by 2-12 percent, of tea by 23 percent, and of herring by 70 percent.

The volume of consumer services performed decreased by 20 percent in comparison to 1992. This decline in consumer service volume was attributable to fewer customers as a result of high prices, and to shortages of materials.

Physical Production

Industry

In comparison with last year industrial output declined by 19 percent, calculated in comparable prices. However, the last quarter showed slower decline in industrial output. The main problems of last year persist in 1994: non-payment, lack of funds for development, high lending rates and tax rates, an imperfect pricing system and, consequently, disproportion between supply and demand.

In 1993 there was a drop in the output of a majority of the most important types of product. In the fuels industry production of oil, including gas concentrate, declined by 7 percent in comparison to the previous year. A decrease in primary petroleum refining caused a drop in production of key petroleum products: heating oil and automotive gasoline by 6-9 percent, and kerosene and lubricant oils by 16-22 percent.

Enterprises in the ferrous metals industry saw a decline in output.

Enterprises in the chemical industry produced a little more than half as many pesticides as in 1992, and there was a 10-15 percent drop in production of tires for agricultural equipment and tractors, animal feed proteins and synthetic rubbers.

The drop in output of agricultural equipment, computers and tractor engines was 55.89 percent; for bearings, tractors and self-propelled cranes output was down by 22.32 percent.

Agriculture

According to preliminary figures the 1993 volume of agricultural production (in comparable 1983 [sic] prices) increased for the first time in three years, totalling R2.4 billion (112 percent of the 1992 level). There was a 24-percent increase in total crop production, primarily attributable to a large grain crop, as well as an increase in livestock production by privately-owned farms.

In 1993 private garden plots and privately-owned farms accounted for more than one-third of total agricultural output.

The livestock situation remains difficult. The number of head of beef cattle owned by kolkhozes, sovkhozes and collective agricultural enterprises declined by 13 percent in the past year, milking herds by 9 percent, pigs by 26 percent and sheep and goats by 19 percent. Significantly fewer offspring were born. In addition, during the year 71,000 head of cattle and 161,000 pigs died, or more than one-fourth of all offspring, as well as 305,000 sheep and goats, or 64 percent of all offspring. Livestock productivity was low.

As a result of the negative processes occurring in the livestock sector production continues to decline.

Capital Construction

Last year the amount of investment by enterprises and organizations under all forms of ownership totalled R263 billion, decreasing in comparison to 1992 by 8 percent in comparable prices; for production-related construction these figures were R169 billion and a decrease of 19 percent.

The value of completed fixed capital was R131 billion, of which R86 billion was production-related.

Of the 37 facilities slated for completion during the year only eight were actually completed.

During the year the agro-industrial complex utilized 36 percent less capital investment funding from all sources combined than in 1992.

There was a decrease by a factor of two in construction investments in the processing sectors of the agro-industrial complex.

There was some improvement with regard to construction of facilities in the social realm. During the year the oblast's citizens received 9,900 new, well-appointed apartments with a total floor space of 645,000 square meters, or 21 percent more than in 1992.

Transportation and Communications

Freight shipments by common carrier decreased by 24 percent, with decreases in shipments by air of 36 percent, by truck—34 percent, by river—14 percent, and by rail—12 percent. The decline in shipping volume was due to a decline in production for many types of product.

Rising rates for passenger transportation resulted in smaller numbers of passengers, for a 7-percent decrease. Decreases in individual sectors were: air travel—32 percent; river travel—16 percent; and motor vehicle transportation—8 percent. Passenger travel by rail increased by 8 percent, as that form of transportation was relatively inexpensive and available to the public in 1993.

Despite an 11-fold increase in the revenues received by communications enterprises as compared to last year, those enterprises performed 30 percent fewer actual services.

Foreign Economic Relations

Companies and entrepreneurs from more than 50 countries around the world engaged in foreign trade transactions with enterprises, organizations and private companies in the oblast.

According to preliminary figures the oblast's foreign trade volume was \$599 million, increasing by a factor of five in comparison with 1992. The foreign trade balance was positive.

The oblast's exports to contract holders totalled \$502 million, up by a factor of almost seven. Fuel and energy resources comprised more than 85 percent of the oblast's exports. Approximately four million tonnes of crude oil were exported, as well as 516,000 tonnes of petroleum products, approximately 15,000 tonnes of unprocessed aluminum, more than 15 million meters of cotton fabric, 2,500 tonnes of synthetic rubber and other products.

Imports totalled \$97 million and were up by a factor of 2.5 in comparison with 1992. The bulk of imports consisted of machinery and equipment (33 percent), foodstuffs (sugar, tobacco products, coffee, etc.), manufactured consumer goods (clothing, footwear, televisions and VCRs) and other products.

French Company Starts Oil Prospecting in Volgograd Oblast

944F0500A Moscow *SEGODNYA* in Russian
24 Mar 94 p 3

[POSTFACTUM report: "French Concern Will Engage in Prospecting and Production of Oil in Russia"]

[Text] In April the first group of specialists from the French concern Elf Aquitaine will arrive in Volgograd to perform work on oil prospecting and production. An agreement on survey efforts was reached between the administration of the oblast and the concern as early as

1991. However, implementation of the project became possible only after the government resolved to exempt Elf Aquitaine from customs duties on medical [as published] equipment it imports to Russia. Experts estimate that there are about 300 million tonnes of oil under the oblast. According to the terms of the contract, 60 percent of the oil produced will remain in Russia, and 40 percent will become the property of the concern.

Perm Local Election Results Viewed

944F0500B Moscow *SEGODNYA* in Russian
24 Mar 94 p 3

[Article by Irina Vladykina under the rubric "Elected Representatives": "Russia's Choice Has Defeated the 'Patriots' in the Struggle for the Legislative Assembly of Perm Oblast"]

[Text] Perm—Some 34.4 percent of the population took part in an election of deputies to the legislative assembly of Perm Oblast. A single deputy was elected and named in each of 37 out of 40 districts. The fact that seven candidates from the Russia's Choice bloc were elected, defeating the Patriots of Russia bloc which conducted a very vigorous preelection propaganda campaign, became something of a sensation.

The new public association Region also met with failure: Only two out of 21 candidates were elected; the renaissance of the Kama area—the development and execution of a long-term program for socioeconomic renewal of Perm Oblast—was proclaimed to be its main objective.

If you read attentively the list of 37 elected deputies, you will understand that in the course of this election the vote was in favor of individual fellow citizens rather than parties: Almost all are the supreme officials of administrations, enterprises, banks, and hospitals; they are people who are known in the oblast. There are many representatives of the local executive authorities among them: Vladimir Fil heads the administration of Perm, Nikolay Poluyanov—Permyakia; Mikhail Bystryantsev is chairman of the Perm Oblast Soviet. More deputies than ever, nine, were elected from among bankers and entrepreneurs. They include Vladimir Khlebnikov, president of the Perm Commodity and Stock Exchange, Yuriy Trutnev, general director of the Eks-Limited industrial and financial group, and Grigoriy Barshevskiy, president of BiS-Credit Bank. The director corps, agrarians, and representatives of humanitarian professions—physicians and teachers—are widely represented.

The second round of voting will be held in 12 weeks in the districts in which elections were not validly held. The amount of 2 billion rubles was spent for the elections, three-quarters of which was allocated from the federal budget, and the remainder—from the local budget.

Kalmyk Parties Oppose Recent Ilyumzhinov Moves

944F0500C Moscow *SEGODNYA* in Russian
24 Mar 94 p 3

[Article by Natalya Gorodetskaya: "Kirsan Ilyumzhinov Will Possibly Have To Remain President: The Deal Involving the Sale of Sovereignty Might Remain Unconsummated"]

[Text] As *SEGODNYA* has already reported, a proposal by President Kirsan Ilyumzhinov concerning the need to abolish the republic Constitution and adopt the "Great Code of the Steppe" in its place was considered on 19 March at an extraordinary session of the parliament of Kalmykia. At the time, the members of parliament heeded the arguments of Mr. Ilyumzhinov, albeit with difficulty, and resolved to convene the Constitutional Assembly which was supposed to abolish the Constitution of the republic. According to the decision made, the organs of local self-government, public movements, and political parties of the republic were to assign their representatives to the Constitutional Assembly by 5 April.

Vyacheslav Kostikov, press secretary of the Russian Federation president, has made a statement concerning Mr. Ilyumzhinov's proposal to abolish the Constitution of the republic, adopt the "Great Code of the Steppe" instead, and sign the "General Treaty with the Russian Federation." Mr. Kostikov welcomed "the striving of the president of Kalmykia to preserve the unity of the Russian Federation." However, he indicated that the Constitution of the Russian Federation makes it possible to change the status of a component of the Russian Federation solely by mutual agreement between the Federation and its component on the basis of federal constitutional law. Mr. Kostikov believes that in calling for the abolition of the Constitution of the republic, Kirsan Ilyumzhinov meant precisely to change the status of Kalmykia.

However, Kirsan Ilyumzhinov did not even conceal his intention to give up sovereignty and equate the status of the republic with that of an oblast of the Russian Federation. One would think that this step by Kirsan Ilyumzhinov was prompted by the difficult economic situation of the republic rather than by a concern for "the greatness and indivisibility of Russia." There is a reason Kalmykia was one of the few republics of Russia to demand an increase in import tariffs: Sheep breeding and primary processing of wool account for 80 percent of the production in the republic. In the words of Viktor Khlystun, minister of agriculture of the Russian Federation, "the Kalmyk ethnic entity is perishing because of a 60 percent drop in production." The expedition of Kirsan Ilyumzhinov to the president of Russia in search of interest-free credit following his public rejection of subsidies from the Russian Federation (which accounted for two-thirds of the budget of the republic) clearly indicates that it is impossible for him to keep his election

promises to live off the republic's own money and foreign investment and to make the Kalmyks more affluent than their neighbors while paying taxes to the federal budget in full.

It appears that, upon assessing the opportunities for Kalmykia's survival, the president resolved to trade the sovereignty of the republic for Russian subsidies. Besides, on the eve of adoption of the federal budget and the beginning of carving up grants for the indigent regions, Mr. Ilyumzhinov apparently saw fit to deserve forgiveness from Boris Yeltsin for having "sat in the White House in October 1993," creating the alternative "Federation Council," and demanding that the Supreme Soviet of the Russian Federation and the president run simultaneously in elections.

However, a number of political parties and movements and public organizations of the republic which do not wish to lose state sovereignty and turn into an oblast of Russia have set up a public committee in defense of the Constitution and statehood of Kalmykia. Yesterday's appeal of the new committee reads: "Until recently, the Republic of Kalmykia was a region with a stable political situation and relatively favorable ethnic relations. We, the citizens of Kalmykia, along with all citizens of the Russian Federation, are sincerely interested in preserving and strengthening our great Motherland of Russia. However, we do not intend to give up our small Motherland—the Republic of Kalmykia—either. Yet, the official statement of the president of the republic about the need to abolish the Constitution and renounce its citizenship leads not only to changing the status of the republic and undermining its statehood, but also to encroaching on the Constitution of the Russian state."

The defenders of Kalmyk statehood maintain that society has now split, with the emerging "confrontation increasingly acquiring an ethnic coloring." They warn President Kirsan Ilyumzhinov of his "responsibility for possible consequences." Moreover, says the statement, "this so-called legislative initiative of our president may cause a chain reaction in complicating the situation in other regions of the Russian Federation."

Incidentally, representatives of some republics belonging to the Russian Federation have already voiced their attitude toward the proposal of the president of Kalmykia, calling him a "traitor and apostate" who is giving up sovereignty at a time when the rest of the republics are demanding as much freedom as possible, especially on issues of taxation and budget formation.

The issue of adopting the "Great Code of the Steppe" instead of the Constitution was discussed yesterday by a congress of the nations of Kalmykia.

'Siberian Agreement' on Regional Economic Revival

944F0500D Moscow *SEGODNYA* in Russian
24 Mar 94 p 3

[Article by Aleksandr Bekker and Lyudmila Moskalenko under the rubric "Underpinnings": "The MASS Has Proposed a Draft for the Revival of Siberia: The Local Authorities Intend To Hold Their Positions"]

[Text] Novosibirsk—The two years of economic reforms in Russia have indicated that the "strategically structured but market-ineffective economy of Siberia is being destroyed too rapidly by the processes of disintegration"—such is the conclusion of the Interregional Association "Siberian Agreement" (MASS). The presentation of the draft strategy for the development of Siberia was attended by Sergey Shakhray and Yury Skokov, which, in view of the ambitions of these politicians, is very significant.

The initial premise of the MASS concept is that, instead of evolving in keeping with the laws of the market, the economic, military-industrial, and scientific complexes of Siberia were formed by the party and state apparatus. Actually, in the opinion of the authors of the draft, it was precisely owing to the natural and geostrategic resources of the region that the Soviet Union became a world power. However, the peculiarity of Siberia is such, says the draft, that Gaydar's monetarism does not fly there because of the "impossibility of rapid and bloodless reintegration of the Siberian regions into the national economy." The authors believe that by persisting in continuing the present course, the Center will "finish off" the economy of the Urals, Siberia, and the Far East, which will become the target of claims by pan-Islamists, Chinacentrists, and the G-7. A change in the map of the country—such is the price, in the opinion of "Siberian Agreement" analysts, Russia may pay for reformist extremism.

Active interference by the state in the process of transformations is needed in order to avoid a catastrophe. Under the conditions of the region, the need for a firm steering hand is amplified by the fact that it is necessary to maintain the viability of the fuel and energy complex and at the same time restructure it by accurately adjusting prices; to prevent the disintegration of transportation systems and a break with the European section of Russia; and to support single-industry production in the "off-limits" cities of Siberia which originally were not adapted to market competition. The same applies to the scientific and educational complex of the region.

The developers of the MASS are convinced that Moscow would be making a fundamental mistake if it failed to take into account the peculiarities of Siberians, for whom "the meaning of life should be set forth on a noneconomic, geostrategic plane. The population of Siberia will be able to endure the forthcoming privation only having grasped its global mission. Only after the

population is rallied around the noneconomic and economic concepts of development of Siberia will it become possible to offer to it economic studies in the hope that they will not be tacitly ignored by the majority."

Previously, the regional associations of Russia have, without further ado, asked for or demanded money from the government, emphasizing the idea of republics from time to time. Experts on the mentality of Siberians and world trends from "Siberian Agreement" were the first to use the trump card of geopolitics: "At present, financing comes from Moscow, but the geostrategic resources of Siberia are no less significant. It is necessary to preserve Siberia—the Achilles heel of Russia—and to deprive everyone of an opportunity to make Siberia the location of Russia's political fiasco."

The MASS concept offers no proof of the necessary degradation of the region as a result of reforms. The provided statistics of the growth of the death rate and fall in the birth rate and the proportion of able-bodied population cover the period from 1979 to 1992 and, one would think, are not directly related to monetarism. Under Gorbachev, the energy of regional leaders was dispersed in the struggle for material quotas and was restricted by the mechanism of coercion by directive, too. At present money is the most important issue, and industries and regions fight for it. This is precisely why monetarism has been proclaimed to be the greatest evil. The concept does not in any way expand on this term itself; it appears as the same kind of an ideological cliché as imperialism once was. In essence, the MASS offers the authorities in the capital city some kind of division of labor by way of its draft for the development of Siberia: Moscow will retain the geostrategic resources of the region, and the region will be assigned, on a permanent basis, various allotments, licenses, quotas, and other restrictions on economic and commercial activity, the right to build over parcels of land, to open production facilities and bank branches, to grant tax relief, and so on.

Therefore, the same material and financial content appears in a new packaging. Siberian politicians of the latest crop want to lay their hands on territorial resources in order to firmly take power and become full-fledged partners of foreign companies and national private capital in investment projects. The intentions of the real authors of the concept—people who might be wrong but who sincerely feel for Siberia—notwithstanding, the draft will be used by the local management elite in its own interests.

As they haggle with Moscow, the local authorities proclaim the creation of an "economic mechanism for the revival of the economy of Siberia under the aegis of the 'Siberian Agreement' Interregional Association." However, one would think that the MASS carries the genetic imprint of the old bureaucratic system, being the flesh and blood of administrative socialism. While furiously criticizing Moscow on account of Gaydar's monetarism, the new elite is ready at the same time to hide out under

the wing of the Center, fearing the rapid development of private capital in Siberia. However, the latter is already strong enough to hold its own but for now lacks the potential to solve the global problems of the region.

'Siberian Accord' Views Draft Energy Edict

944F0525A Moscow *SEGODNYA* in Russian
29 Mar 94 p 2

[Article by Aleksandr Bekker and Lyudmila Moskalenko, Novosibirsk: "The President's Edict on Energy Does Not Satisfy Siberia: Members of MASS Intend To Demand a Review of Prices and Tariffs". The article is under the rubric "Regions."]

[Text] Approximately 40 heads of administration and directors of enterprises in 14 krais and oblasts, all members of the "Siberian Agreement" Interregional Association (MASS), met in Novosibirsk to review and discuss Boris Yeltsyn's draft Edict "On How Relationships in Ownership of Electrical Energy Should be Regulated Between Federal and Territorial Agencies" and the mechanism for formulating tariffs on electrical and thermal energy. According to participants, the discussion in which "opposing points of view were expressed," was very heated. In the end, the draft of the presidential edict, prepared by the Ministry of Economics of the Russian Federation [RF], was declared to be "premature," since it was "put together in isolation" from the well-thought-out concept for managing a unified electrical energy system "under new economic conditions" and "it does not fully consider the problem of relationships with regard to ownership, rights, and responsibilities" between the Center and the regions. The Coordinating Council decided that within two months it would formulate and present to the government a proposal from MASS "on reforming the managerial system for electrical energy from the viewpoint of protecting the interests of the territories."

Representatives of MASS called the mechanism for formulating tariffs on electrical and thermal energy "incomplete and unacceptable." Participants of the Novosibirsk get-together believe that "the intensifying crisis caused by nonpayments" is but one result of this formulation. For February, 19 percent of electrical energy and 8 percent of delivered gas were paid for. The overall level of payments has decreased from 63 percent at the end of last year to 47 percent in February 1994. Even though the main victim of nonpayments was the Thermal and Electrical Power Commission (TEK), as the absolute net creditor, the heads of Siberian oblasts considered it necessary to fight the crisis by decreasing or freezing tariffs on electrical energy, which are, on the average, five times lower than worldwide tariffs. For this reason it was decided to ask the Council of Ministers to review the "Statute on State Regulation of Tariffs for Electrical and Thermal Energy in the RF for 1994." The crux of the MASS proposals, which are intended to be prepared within a month, is that the Inter-Regional "Siberian Agreement" Energy Commission—formed on

a voluntary basis—will present Moscow with “correct” tariffs for industrial and agrarian consumers of energy, as well as with regular amounts for “light and heat” to be paid by private individual customers.

Notwithstanding the seeming unity of the meeting participants, to come up with agreed-upon positions in a month or two, and even more so, to gain the government's understanding, apparently will not be so simple. First, a definitive reworking of tariffs on electrical/thermal energy will impact on the financial interests of RAO [All-Russia Joint-Stock Society], the Russian Unified Electrical Power System, and will threaten the summer cycle of repair work on stations and electric power lines [LEP]. Mr. Kuzmin, who participated in the RAO discussions, stated that freezing tariffs on electrical energy is allowable only if “the government freezes prices on energy resources and railroad tariffs.” However, prices of oil and coal were liberated by law, and to push prices back, even through the administrative efforts of Oleg Soskovets, would not be so simple. At this point it is worthwhile to note the position of the Ministry of Fuel and Energy, which was publicized in Novosibirsk by Deputy Minister Vitaliy Bushuyev: “Either we take the market route and try to get prices on energy carriers and agro-industrial production to correspond with world prices or we impose central regulation on everything. The second alternative spells catastrophe.”

Of course, there is an intermediate version of cartel agreements by industrial branches and enterprises for component parts, which brings together regional authorities and a number of high officials from the Cabinet of Ministers and, specifically, the same Mr. Soskovets. However, the true intentions and hopes of representatives of the processing industry, we think, boils down to strictly fixing “energy” prices, but not paying much attention to the prices charged by tens of thousands of suppliers to the TEK. It was not by coincidence that at the meeting of the MASS Coordinating Council, for all practical purposes no one hardly raised any questions about converting debts to promissory notes. On the other hand, there was active discussion on the subject of “cheap energy resources that are going out of Siberia.”

Two more conflicts come to light. As is well known, Moscow was aiming for the inclusion of a series of hydroelectric stations on the Yenisey and Angara Rivers in the RAO, the Russian Unified Electrical Power System, while authorities in Krasnoyarsk and Irkutsk tried to keep them as property owned by the oblast. At one time, this matter was investigated by the Constitutional Court, but a final decision was never rendered. On the other hand, there is no unanimity within the “Siberian Agreement” on this matter either. As a whole, MASS is in favor of having a “state within a state” by creating within the framework of the Russian unified energy system a Siberian wholesale market for power capacity and energy. At the same time, however, authorities in Krasnoyarsk and Irkutsk are firm in their intentions to supply cheap electrical energy to the power-consuming giants of the aluminum industry, while the

leadership of, say, Novosibirsk would like to take that same energy and divert it to plants of the military-industrial complex.

The scope of the “state system” discussed in Novosibirsk can be judged from a phrase spoken by one of the participants: “What we need now are not structural or organizational perestroikas, but painstaking work to undo the non-payment crisis.”

Economic Situation in Khabarovsk Kray Viewed

944F0513A Moscow ROSSIYSKAYA GAZETA
in Russian 26 Mar 94 p 3

[Article by Sergey Ponomarev, staff correspondent: “Bread Distributed on Credit, According to Lists”]

[Text] Khabarovsk—Almost 90 percent of the population of Bikinskiy Rayon have a standard of living below that established by the kray administration. Of the 3,618 large families in Komsomolsk-na-Amur, 3,115 are in need of immediate material assistance. More than 130 enterprises in the kray are standing idle and their workers have been forced to take unpaid leave. At the same time wages have been held back since September on the majority of sovkhozes in the Amur region, and bread is distributed on credit in the rural consumers' cooperative stores, according to lists....

These facts, heard at the annual meeting of deputy administration chiefs of cities and rayons of Khabarovsk Kray and leaders of departments and committees for social protection, illustrate better than anything else the condition of despair that now prevails in the remote areas of Russia. Speaking before participants in the conference, the chairman of the kray Committee for Social Protection of the Population, Nikolay Telyatnikov, noted: “We have taken on a heavy burden with empty pockets.”

Today, in his words, it is easier to name those whose existence can be defined as more or less bearable because added to the traditional categories of underprivileged—pensioners, disabled persons, the chronically ill, workers of the budget sphere—in recent months have been those who are officially registered and actually unemployed, single mothers, especially those living in dormitories and receiving wages that are less than what is needed to pay for housing, and also school graduates who have been left without work.

The only reason social upheaval has not occurred so far, thinks the deputy chief of the administration of Bikinskiy Rayon, Raisa Kabanchenko, is that the people of the Far East are too patient. But very soon, in her opinion, the explosion will have to occur both in “the defense sector” and in rural areas as well as other places. It is no accident that the kray's governor, Viktor Ishayev, in order to provide at least some emergency payments to the needy, a couple of days ago issued a directive to stop payment instructions for a total of 7 billion rubles [R]

earmarked for the Pension Fund of Russia, which had been filled out by the Khabarovsk division.

The first deputy minister of social protection of the Russian Federation, Boris Dudenkov, participating in the meeting and evaluating such actions on the part of the administration as "local hooliganism" which could lead to the "collapse of Russia," admitted, however, that attempts to get into the pension fund are being made not only in the krays and oblasts but also at the very highest level. In particular, the Ministry of the Economy is now actively working out plans to use this money for financing the miners.

Those who have survived the social and economic wilderness have no hope yet. According to Dudenkov's information, the Ministry of Finance has not yet transferred to the Republic Fund for Social Support of the Population R28 billion withheld since 1992. True, thinks one of the leaders of the social ministry itself, there must be a different approach to forming these funds: Not through direct taxes but with excise taxes on luxury items and some of the funds received from privatization.

And while the ministry staff is building castles in the air and thinking about how to take some money from the rich in order to help the most deprived, the Khabarovsk Kray authorities are hoping for financial support from the capital. As the deputy governor, Irina Strelkova, put it, "It would be wrong to ask for a lot but we have indicated the main sore spots in the package of documents prepared for the government."

This has to do with the so-called targeted allotment of funds for a sum of about R10 billion. Above all for conducting child summer health protection measures and completing the reconstruction of a specialized boarding house for people suffering from chronic psychological illnesses.

Novosibirsk Bankers Meet to Plan Development

944F0526A Novosibirsk VECHERNIY NOVOSIBIRSK
in Russian 31 Mar 94 p 2

[Article by Sergey Yuryev: "What the Bankers Conferred About"]

[Text] A meeting of the managers of a number of Novosibirsk banks was held behind closed doors several days ago.

This meeting was held at the initiative of the Novosibirsk branch of the AKB [joint-stock commercial bank] Vostokinvestbank and the Siberian commercial bank Aurum. All aspects of banking activity were examined at the conference. The participants were compelled to do this, in particular, by the recent decision of the government to establish a minimal authorized capital in the amount of 2 billion rubles [R], with subsequent quarterly adjustments.

To date, more than 70 independent banks and branches have been operating in our oblast. On the average, their authorized capital is about R300 million. The level of work of the banks is very different, which can also be judged by the rating that is regularly established by the main administration of the Central Bank of Russia for Novosibirsk Oblast. Lately, the demands on the banks to provide services on an international level are becoming more and more persistent. Also, competition is increasing. Therefore, the problem of improving the quality of banking services is becoming more and more critical, and it is unattainable for many without bank mergers. This was also the main question that the bankers discussed.

Two concepts of future development were proposed at this meeting. Boris Dudarev, the chairman of the board of the Aurum Bank, proposed an amalgamation under the aegis of Moscow organizations. The second concept, proposed by Pavel Mityakin, the director of the Novosibirsk branch of the AKB Vostokinvestbank, was based on regional interests. But they, in the opinion of the leadership of Vostokinvestbank, are closer to the eastern regions than to the western regions (the main bank, Vostokinvestbank, is in Vladivostok, and it has various ties with states of the Asia-Pacific region; it is a member of the global international financial telecommunications association, and its capital authorization is more than R12 billion).

The bankers have not adopted a final resolution yet.

Novosibirsk Sees Hope for Payments Crisis

944F0529B Moscow ROSSIYSKAYA GAZETA
in Russian 1 Apr 94 p 3

[Viktor Serov report: "Vasiliy Kiselev, Vice Governor of Novosibirsk Oblast: 'We Are Duty Bound To Resolve the Nonpayments Problem'"]

[Text] Novosibirsk—The decline in production in Novosibirsk Oblast in January constituted 35 percent, and this rate continued in February. One-fourth of the workers are without a job, practically. And these figures characterize not only the military-industrial complex, what is more, but also the production of consumer goods and food, of which there can be no question of a surplus. Enterprise mutual arrears are at the two-month output sales level. They have grown one-third and constitute almost R200 billion.

This means that simple methods of influencing inflation (by way of a cutback in the issue of credit, for example) will not work. The enterprises are reacting to this with mutual commodity credit. There are no payments to the treasury here, no money for wages, and so forth. The unpaid wages are today approaching a month's arrears. Thus the pressure in the pot is growing.

"Unfortunately, at the enlarged session of the government," Vasiliy Kiselev said, "I did not see specific mechanisms of a resolution of this problem. And unless

a solution is found within two or three months, the entire Russian financial and economic system will explode.

"But we have an opportunity for another version of events also," the vice governor continued. "I cannot fail to mention with satisfaction the actions of the Ministry of Finance. This most unitary department is engaging in clearly expressed federalist actions. I am sure that as of 1 April the Ministry of Finance will introduce to the system of transfer relations of the budgets of the territory and the federal budget [sentence as published]. This means that there will be the nonspecific, unstipulated transfer of funds from one budget to another for the purpose of equalization of budget and financial support for the territory.

After all, it is obvious that the inequality of Russia's regions from the federal budget viewpoint could rupture the unity of Russia faster than any talk about separatism or unitarism. But why, tell me, did per capita expenditure in Novosibirsk Oblast in 1993 constitute R96,500, in Omsk Oblast R184,000, and in Kemerovo Oblast R294,000? The answer is clearly not economic!... So as of the second quarter of the present year this approach will, with the emergence of the appropriate prescriptive

base, be eliminated. And it will not be necessary to crawl around offices of the capital and ask for budget hand-outs.

Directive on Export Controls

944F0513B Moscow ROSSIYSKAYA GAZETA
in Russian 26 Mar 94 p 4

[("Directive of the Government of the Russian Federation of 21 March 1994, No. 356-r, Moscow")]

[Text] 1. The proposal of the Ministry of Economics of Russia, the Ministry of Fuel and Energy of Russia, and the Ministry of Foreign Economic Relations of Russia concerning excluding from the list of goods exported under licenses effective 1994 in the volume of established quotas (Appendix No. 1 to the Decree of the Council of Ministers-Government of the Russian Federation of 2 November 1993, No. 1102, "On Measures for Liberalization of Foreign Economic Activity" (Sobraniye aktov Prezidenta i Pravitelstva Rossiyskoy Federatsii, 1993, No 45, st. 4342) products from processing oil according to the appendix shall be adopted.

2. The Republic of Tatarstan shall be granted an additional quota for exporting 1 million tonnes of oil, establishing for this republic an overall export volume for 1994 of 8 million tonnes of oil.

[Signed] Chairman of the Government of the Russian Federation V. Chernomyrdin

APPENDIX: Refinery products excluded from the list of goods exported effective in 1994 under licenses in the volume of established quotas

Commodity description	Foreign Economic Activity Commodity Classification	Excluded
Lubricating oils (except aircraft oil, diesel oil, oils of groups G, D, E and motor oil for diesel locomotives)	271 000 910 - 271 000 990	from May 1994
Residual fuel oil	271 000 710 - 271 000 790	from May through September 1994
Oil bitumen and other residues of oil and refinery products processing	271 320 - 271 390 900	from May through September 1994

Japanese Offer To Help Maritime Kray Waste Processing Critiqued

944F0520A Vladivostok VLADIVOSTOK in Russian
16 Mar 94 p 5

[Article by Viktor Karytko: "Foreign Companies as Engines for Our Conversion? Are the Japanese Really So Selfless in Their Desire To Help Clear the Maritime Region of Radioactive Wastes?"]

[Text] The problem of recovering low-level liquid radioactive waste (ZhRO) accumulated as a result of repair and preventive work on nuclear submarines of the Pacific Ocean Fleet up until now, as we know, had only one solution in our country: The waste waters were simply poured into the sea. The country had no developed technology for purifying these waste waters. Last fall, when they were last poured into the Sea of Japan, it evoked an extremely negative reaction from the opposite shore. The

Japanese are also very uneasy about the two tankers filled to the brim with liquid radioactive waste in the form of radioactive ice which are moored at the dock of the Zvezda Plant. Therefore it is no accident that the Japanese have expressed their readiness to render assistance in solving this problem which, of course, is purely our own, and not only to provide us with tankers (which we are refusing) but also to allot financial funds for the construction in the kray of a plant for disposing of liquid radioactive waste under the condition that some of these funds will be transferred to Japanese firms so they can place orders there. It would seem that this option would be completely acceptable to us. But events related to this project which would seem to be free of charge for Russia show that this is not so.

Representatives of two Japanese firms were in Vladivostok on a "prospecting" mission in December. For their government's money they wanted to "do a great favor for these unreasonable Russians who do not know

what to do with their radioactive waste".... In the kray administration there was a conference to which for some reason nobody thought of inviting scientists from the Far Eastern Branch of the Russian Academy of Sciences. Nonetheless they were subsequently able to look over the Japanese plan and make judgments about it which, briefly, consist in the following.

In the first place, the technology proposed by the foreign firms would require extremely large expenditures of electric energy when compared to the output from a thermal electric power plant with average capacity.... And this when the region is in a deep energy crisis to begin with. If we keep in mind the many billions spent to pay for electric energy, for this reason alone combining the Japanese project with our "harsh" conditions looks problematic to say the least. Second, after the plant is built, its subsequent operation will cost the region \$300,000-\$450,000 annually (purchasing consumable materials, spare parts, conducting repair work, etc.). Finally, in the third place, the Japanese specialists, as it turns out, are suggesting "purifying" the radioactive waste with the formation...of other waste (highly active salt solutions and solid radioactive waste, and subsequent disposal of these is not envisioned by the Japanese technology). In general, our scientists came to the conclusion, substantiated in all respects, that the Japanese version for disposing of liquid radioactive waste in the Maritime region is unacceptable mainly because of its obsolescence and its extremely high cost.

As a counterproposal the scientists and specialists of the Far Eastern Branch of the Russian Academy of Sciences put forth their own alternative plan. It consists in using sorption technology, taking advantage of many years of work and the latest achievements in this area which happen to be from Far Eastern scientists. Its advantage over the Japanese version consists in its considerably lower (1,000-fold) proportional expenditure of electric energy; the utilization of unique and inexpensive materials (multi-composite sorbents produced from local raw material—Chuguevskiy zeolites); the significantly lesser capital-intensiveness of production and the independence of its operation from deliveries of imported spare parts and batching items.

The deputy chairman of the Far Eastern Branch of the Russian Academy of Sciences, Doctor of Chemical Sciences V. Sergiyenko, presented these conclusions in a report sent on 16 December of last year to the governor of the kray, Ye. Nazdrantenko. He also pointed out in it that the Far Eastern Branch of the Russian Academy of Sciences was prepared to take the initiative for creating an interdepartmental creative collective which could in a short period of time, literally within a month or two, present a detailed plan for disposing of low level liquid radioactive waste in the Maritime region for technical-economic and ecological expert evaluation. At the same time he emphasized the insistent need to conduct such an expert evaluation before making a decision or signing

any documents with Japanese firms. The kray administration was asked to allot 5 million rubles [R] for conducting the expert appraisal.

This report was followed by a note of clarification sent to the same address. It discussed the real possibility, within three or four months (under the condition that proper financing is available), of creating a domestic experimental industrial installation based on sorption technology with a capacity for "processing" 10-15 tonnes of liquid radioactive wastes a day directly at the enterprise where the radioactive waste is accumulated. What was the result from these reports?

On 6 January the Committee on the Utilization of Nature of the Kray Administration held a conference devoted to this question at which emphasis was once again placed on the need to conduct a comprehensive expert appraisal of all versions of disposal of liquid radioactive waste and the development of an alternative Russian plan in response to the one proposed by the Japanese. But that is all. Money for conducting this expert appraisal, not to mention funds for creating an experimental industrial installation (about R2 million rubles) was not provided on the grounds that the problem of disposing of liquid radioactive wastes in the Maritime region was not a kray problem but a federal one and so the financing should come from the corresponding budget.

Still our scientists considered the fact that they live not in Moscow but in the Maritime region and, in order to reinforce their conclusions with concrete results, at the end of February they conducted a series of laboratory experiments on sorption technology for purifying real radioactive waste from the Zvezda Plant. Their results turned out to be more than promising: After purifying liquid radioactive waste in sorption columns, the content of artificial radionuclides was significantly lower than the natural radioactive background and 10-1,000 times less than the norms for maximum permissible concentration. That is, after purification this water could be poured directly overboard without any ill effects.

Is this not an indicator of how well our technology can compete with any foreign one? And are our scientists asking too much by insisting on a competition of plans so that the Russian, Japanese, American, and any other installation will be placed side by side and then the results will be compared. This is what is done throughout the entire world when putting various plans up for bidding, when people indeed want to end up selecting the most advanced technology which is the most economically effective in all respects.

But, as it turned out, this approach does not fit in with our reality. What kind of competition of plans or bidding can there be when for three months the kray bureaucrats will not even allow the Vladivostok scientists, the creators of the most advanced technology for disposing of liquid radioactive wastes in Russia (and, probably, in the world as well—a competition would show that), in on the

discussion of the problem. Yet, as we learned, not so long ago in the presence of the governor but in the absence of the scientists and specialists from the Far Eastern Branch of the Russian Academy of Sciences, in the kray administration there was a conference, as a result of which it seems to have been decided to give preference to the technology for disposing of liquid radioactive waste proposed by the Japanese corporation Marubeni....

Corresponding Member of the Russian Academy of Sciences Viktor Glushchenko was extremely candid and, it seems, justifiably harsh in his evaluation of this situation. "To me and my colleagues who are specialists in this area this whole episode seems simply shameful," he said. "Why is the fate of a plan placed in the hands of kray bureaucrats? So that later they can again, on invitation from the Marubeni firm, travel as 'experts' (as some have already done) to Japan and bring back presents from there, probably for a job well done? Apparently the same aspirations motivate the pro-Japanese lobbies in Moscow, where they have already created a concern which, from all appearances, can more efficiently 'divide up' the \$100 million allotted by the Government of Japan for nuclear disarmament in Russia and the problem of disposing of radioactive wastes which is related to this. For the money, of course, we thank you, but who said that this had to be invested only in foreign firms when we have much better domestic scientific developments and technologies that are essentially already prepared but which require a little money to bring them to completion? After all, we are not a Lower Volta [as published] and we ourselves are ultimately in a position to solve our own problems. I tell you as a scientist," V. Glushchenko said in conclusion, "that if our multi-composite sorbents are not needed, and they are the basis of the technology we propose for disposing of liquid radioactive wastes, I will make every effort to make sure that all our 'know-how' in this area is patented abroad. Apparently nobody in Russia needs our developments...."

I do not think that Viktor Yuryevich will do exactly that—after all he is a Russian man and a resident of the Maritime region, but a fact is still a fact: Dozens if not hundreds of developments, many of which are up to the world level, by Far Eastern scientists remain unused, and fine domestic current research is practically frozen. And putting domestic sorption technology to work for disposing of liquid radioactive wastes could be a first step in the development in the Maritime region of a whole number of science-intensive productions for producing industrial and medical sorbents that are in extremely short supply in the world and for which, our scientists are convinced, there are no analogues yet. By investing a minimum today, when the orders for manufacturing equipment can be placed with our defense enterprises which are now standing idle, in the near future it would be possible to obtain a maximum, and in foreign currency.

These are the kinds of "selfish" goals pursued by our scientists in their desire to clear the kray of radioactive

and any other kind of pollution without the participation of the Japanese "uncle," who is certainly not selfless and who would seem to want to build for us a plant for disposing of liquid radioactive wastes free of charge using obsolete technology and then for a long time receiving "dividends" in the form of income from operations. In a word, our conversion in their fashion.

Before going abroad to sign the contract with Marubeni (I will not mention others) it would be a good idea for our bureaucrats to think about this and perhaps learn from their neighbors how to look after national interests.

City Authorities Criticized

944F0538A Moscow MOSKOVSKAYA PRAVDA
in Russian 25 Mar 94 p 1

[Article by Shod Muladzhanov: "Codeword: 'Power Vacuum'; Response: 'Arbitrariness'"]

[Text] The apparatus of bodies of authority is swelling minute by minute. Almost every day there are reports of an administration created, bosses appointed, a department expanded. I am afraid that soon Moscow itself will be too small to accommodate this gigantic army of do-nothings, bureaucrats generating red tape on any question except one—their own interests. These particular interests they tend to meticulously. And generate one decision after the other, whose main purpose is obvious: obtaining money for the budget to pay bureaucratic salaries and create the conditions for unofficial supplementation of these salaries with large bribes.

I apologize in advance to those few persons in ministries and agencies who do perform work that benefits the state, the economy, and society. But there are thousands of others... One gets the impression that someone is pursuing the goal of pure sabotage: As soon as the situation in the economy and the social sphere stabilizes slightly, decrees are adopted and directives signed that inevitably lead to an explosion, another round of inflation, and create problems for production, commercial activities, and the consumer market. I am not inclined to think in terms of sabotage, however. I insist on another explanation: personal gain. Naturally, the growing budget deficit plants the idea among the masses not included in the apparatus orbit that it is time to reduce bureaucratic agencies. Naturally, the presence of numerous holes both in legislation and in approaches to its implementation permits functionaries to extort considerable money from anyone who wants to survive in the current chaos.

As if the first hike in customs duties was not enough—they had to hit prices with a whip so hard that they jumped right through the roof. As if it was not enough to add a 3 percent surcharge to the absolutely contrived and unjustified in our conditions value-added tax—beginning in April they decided to quietly milk enterprises some more by increasing deductions, which in the end go, again, not to pensioners and the disabled but into the "fund for salvation of bureaucrats, bankrupts, and

producers of defective goods," which is what the state budget is to a considerable extent today.

Arbitrariness awaits us everywhere; it is growing stronger, propped up on the shoulders of the power vacuum. The law is not a deterrent for those who turn off water and electricity in homes, refuse to transport a patient to a hospital, in violation of property rights tow automobiles away from the streets and take them who knows where on the contrived grounds of illegal parking—as if there is any place where they can be parked legally. Some are arrested and then receive lengthy apologies; others are left alone, despite clear signs of criminal activities. This is everyday life. And in the economy, under loud proclamations of loyalty to reforms, they strengthen the monopolism of the poor excuse for producers who are incapable of competing with the Thai cottage industry and African farmers.

How long can one try people's patience by playing with presidential, government, and parliament decisions that span the gigantic amplitude from "hurrah" and "this is the only way" to "we apologize" and "we will take a different road now"? We are in no danger of getting either a wise tsar or a wise leadership, given the current disposition of forces in the top echelons. It is time to search for and promote new intelligent people, who could replace the current generation of powerless powerholders—and not in a decade but in the nearest elections. Civil accord is necessary and possible, but not on the basis of a compromise between groups of chatterboxes—only on the basis of true reforms in the economy and a well-defined approach to social problems.

Fiber Optic Line Connects Moscow-St. Petersburg

944F0545A Moscow ROSS'YSKAYA GAZETA

in Russian 7 Apr 94 p 1

[Article by Viktor Khatuntsev: "Peter, How Do You See Me?"]

[Text] The first fiber optic communications line in Russia has been placed into operation between Moscow and St. Petersburg. This marks the beginning of the development of this high capacity and reliably protected network, which makes it possible to significantly expand information exchange.

In order to give a more complete visual representation, the first, premiere, communications session was set up between two audiences which had gathered in these two cities. Greeting his colleague, Anatoliy Sobchak, Moscow Mayor Yuriy Luzhkov noted that a current market is unthinkable without a well-regulated communications infrastructure, particularly since this is vitally important for both of the Russian megalopoli. There were no distortions in the "live picture" from Petersburg, and the mayors agreed that now it is fully possible to hold joint planning sessions of the two city administrations.

The new digital network owes its existence to the cooperation of the Makomnet, Metracom and Raskom companies with our railroad and metro builders. Installers laid 688 kilometers of cable along the Oktyabrskiy Railroad line, without interrupting train traffic.

"The new communications line will make it possible to increase safety and expand the possibility of automation," said First Deputy Minister of Railways Oleg Moshenko. "This is a good groundwork for building a high-speed Moscow-St. Petersburg line. Now we anticipate developing the network to Vladivostok and Novorossiysk. And for our rather overloaded metro trains, the expansion in the range of communications will make it possible to increase the rhythmic movement and effectiveness of information."

The Moscow mayor's office has already allocated 24 billion rubles (R) for building a high-speed line, which has been conditionally named the Novonikolayevskiy line. Meanwhile, Petersburg builders have demonstrated the model of a new electric locomotive which will soon undergo route testing. The new route will make it possible to employ millions of people in the development of the adjoining territories. Understandably, the two capitals will have to act in close cooperation. This cooperation has already been quite successfully tested in developing this country's suburban electric railway. Thirty-two enterprises have been involved in this work, and the assembly of trains is in full swing at the plant in Torzhok.

Moscow City Duma Speaker Reflects on Housing Concerns

944F0531A Moscow PRAVDA in Russian 26 Mar 94
p 1

[Interview with Viktor Anatolyevich Maksimov, Moscow City Duma speaker, conducted by Nikolay Figurovskiy: "Our Homes and the City Duma"]

[Text] On 12 December of last year Muscovites elected a city Duma comprised of 35 deputies. The new representative body's speaker is Viktor Maksimov. He is 47 years old and has lived in Moscow since 1968. He started out as a neighborhood militiaman. He later worked in the USSR and RSFSR ministries of internal affairs. He was a Moscow City Soviet deputy.

At PRAVDA's request the head of the Duma talks about his job.

[Figurovskiy] Viktor Anatolyevich, how does the Moscow City Duma differ from previous representative bodies?

[Maksimov] The City Duma's powers are not based on authoritative directives to the executive branch, but rather proposals of various options for solving problems. Duma decrees are signed by the mayor of Moscow. However, if necessary the Duma can override the mayor's "veto."

[Figurovskiy] Soon after its election the Moscow City Duma was called a "pocket" Duma. Is it in anybody's pocket?

[Maksimov] In my opinion, the fact that the government's proposal regarding a transition to a new system of payment for housing and municipal services was discussed at five sessions and sent back for additional work three times indicates that the Duma made substantial amendments to the draft before approving it, with the objective of increasing Muscovites' level of social protection.

[Figurovskiy] Nevertheless the rent hike was an unpopular measure, to put it mildly.

[Maksimov] Yes, it was unpopular. But as long as housing is free it will not go to the people who need it, but instead to those who are close to those in power. Consider this: of the millions of square meters of free municipal housing built in Moscow every year people on prefectures' waiting lists get only about 20 percent...

There is one solution: transition to a market economy. Everything should have its price, and everything should be paid for.

[Figurovskiy] So will the great mass of middle-income families have to say goodbye to their dreams of new apartments?

[Maksimov] Not everyone will have to acquire housing at the market price. Following the example of many countries, we will introduce this system: every citizen will have the right, once in his or her life, to receive a standard allocation of housing of average quality free of charge. But if you want an apartment with more space or a better floor plan, then pay for it!

The higher payment for housing is a first step in that direction, though not a very large one. It will take us roughly five years to go all the way.

There are 18 square meters of living space for every resident of Moscow. Yet there are 700,000 people on waiting lists who have 8-10 square meters apiece. Another fact: luxury apartment buildings have very large auxiliary rooms that have not been paid for up until now. Is that fair?

[Figurovskiy] How much will housing now cost in Moscow?

[Maksimov] The new system will take effect in the second quarter. The government proposed introducing it in March, but the Duma deputies insisted that the new rates not be introduced before the city had a functional housing compensation system. We also insisted that rent depend not only on the number of square meters in an apartment, but also on the building's category. People will have to pay more for square meters that are "extra" relative to a social standard.

The gist of the new system can be expressed in a few words: rates for apartments and municipal services will be indexed in accordance with price increases over the past three years. At the same time, a number of categories of Moscow citizens will be paid housing compensation.

In the initial stage of reform a "belated" indexing of rates will be carried out. In the second stage, which the government plans to begin on 1 July, prices will go up by factors of between three and five. True, if the new system has not worked out by 1 July the Duma will have an opportunity to halt and postpone the start of the second stage.

A number of categories of Muscovites will receive housing compensation during the first stage. Compensation will be provided to citizens within the limits of Duma-approved standards for living space and municipal service consumption, with consideration for each family's total income. The deputies have approved the following housing standards: for citizens living alone, 33 square meters; for two-person families, 42 square meters; and for families with three members or more, 18 square meters per person. Incidentally, that is more than the government of Moscow proposed.

The average amount of rent and municipal services (excluding electricity, phone and radio hookup) can be calculated by multiplying the total size of an apartment by roughly 100. For example, if an apartment has 50 square meters of space, then the payment for it will be approximately R5,000. But that is only for Muscovites who have apartments that do not exceed living space standards. Those who have more square meters of space than allowed under the standard will also pay more.

The size of subsidies is determined according to a simple formula: the amount that goes to pay for an apartment should not exceed 10 percent of a family's budget.

Compensation will be paid in a non-cash form via a savings bank, i.e. a citizen will not be able to receive the money directly.

During the second quarter subsidies will only go to the poorest families—approximately 4 percent of Moscow residents. Subsequently the number of people receiving subsidies will increase.

Moscow Oblast Criminal Investigation Department Discussed

Resignation of Chief Fedoseyev Examined by City Duma

944F0533A Moscow PRAVDA in Russian 31 Mar 94
p 4

[Unattributed report: "In the Wake of Scandal: Moscow Criminal Investigation Without a Chief"]

[Text] The Moscow City Duma's Commission on Law and Order and Anti-Crime Efforts has met to discuss the resignation of Yuriy Fedoseyev, chief of the Moscow Criminal Investigation Department.

The official reason given for the resignation, which was signed by Minister Brin, was retirement on account of age. The unofficial and, of course, primary reason was poor relations with General Pankratov, head of the capital's Internal Affairs Main Administration. That version, the city Duma's press center confirmed, was the subject of discussion by the commission members, who determined to "get to the bottom of the reasons behind this firing."

It is true that Fedoseyev has given 11 years "too much" service to his country. It is also true that the head of Moscow's Criminal Investigation Department is only a colonel—something that does not happen if relations with those higher up are good. A general's rank is usually guaranteed. But the dual subordination of the Moscow Criminal Investigation Department's chief—directly to the Ministry of Internal Affairs and only secondarily to the Moscow Internal Affairs Main Administration—gives him many opportunities to become disliked.

There was also an official reason: just prior to Fedoseyev's resignation General Pankratov issued new quotas for arrests and successful investigations in Moscow, quotas that exceed former ones by 50 percent. For example, whereas when it comes to arrests made by public safety offices or the highway police it is enough to "make an effort," while this mania for percentages, which the years of perestroika and democracy have been enough to partially erase from our memory, will hit the Moscow Criminal Investigation Department particularly hard. Rumors are circulating that Fedoseyev expressed negative opinions of the new quotas to the militia leadership.

For now the colonel, now in disfavor, has resigned, and no one knows whether he will become just another pensioner or file a lawsuit. In the latter case the capital can expect another carnival of militia/police disguises and ambitions.

High Turnover Rate Analyzed

944F0533B Moscow RABOCHAYA TRIBUNA
in Russian 30 Mar 94 p 4

[Article by Vladimir Koval: "Criminal Investigation Resigns"]

[Text] I do not recommend you read the following, because it is guaranteed not to make you feel optimistic. I am unhappy about it myself but, try as I may, there was just no getting around the numbers.

Take this one, for example: did you know that there has been a 95-percent turnover in the Criminal Investigation Department of the Moscow Oblast Internal Affairs Administration in the past year? That figure was cited by

Mr. V. A. Sidorov, an administration employee, at a meeting of the oblast League of Retail and Wholesale Entrepreneurs. Mr. Sidorov attempted to blame this wholesale departure of professionals on the low pay scale. I must object.

Firstly, insofar as I am aware, even the lowest pay grade for a militia employee is higher than average pay in Russia. Things are hard for everybody, except for a few.

Secondly, financial difficulties are not enough to make a true professional consider changing jobs. In my conversations with former MVD employees they have cited reasons relating to morale, not financial reasons (see: "Honest People on the Night Train" in RABOCHAYA TRIBUNA, 20 November 1993). A militia major of my acquaintance left criminal investigation out of fear for his own life when he learned that an information about an operational plan he discussed behind closed doors with his bosses reached criminals the very same day.

Even someone who is not a professional can understand that a 95-percent turnover in the criminal investigation staff hampers active and effective crimefighting efforts.

A poll taken by the Moscow Oblast League of Retail and Wholesale Entrepreneurs among its members before this information was made public indicated that only 13 percent of them expect help from the authorities when they encounter criminal structures.

The most risky type of business activity was trade (indicated by 82 percent of those surveyed), with banking in second place (77 percent), followed by services (16 percent). Only 5 percent of manufacturers are subjected to criminal pressure. That fact is easy to explain: no one is making big money in manufacturing nowadays—people who are involved in it are barely making ends meet.

Virtually all power structures are now affected by corruption. According to figures from the same poll, 60 percent of entrepreneurs had encountered bribery among public officials, and 71 percent said the same of the militia. For the procuracy, tax inspectorate and state trade inspectorate the figure was 51 percent, and for banks—47 percent.

Once again, these figures come as no surprise—legitimation of graft began with Gavriil Popov back at the height of "perestroika," when he stated that a bribe is merely an "expression of gratitude to an official for a job well done." On the contrary: reported cases of bribery, now a rarity, are used by the authorities solely for the purpose of getting rid of undesirable political opponents.

When they have to protect their interests, more than half of the entrepreneurs prefer not to go to the agencies that are supposed to protect those interests (76 percent do not believe the militia, 79 percent mistrust the former KGB, and 92 percent, the office of the public prosecutor); instead they enter into illegal contracts with criminal

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structures. Modern racketeers never impose impossible terms, as they are well aware of their own interest in keeping a businessman's business profitable. Instead one finds the excesses among bureaucrats in the "law enforcement" structures, whose appetite becomes more insatiable with each passing day.

Meanwhile the taxes that should supposedly ensure your safety and mine continue to rise. Recently the minister of internal affairs publicly announced an anti-crime program that he had drawn up and submitted to the President. A secret program, I should note. That means that if it is adopted there will be no accountability requirement in connection with its implementation, since you and I do not have a "need to know" what it contains.

I would like to direct particular attention to the fact that the minister has requested R2 billion [rubles] to carry out the program, and that the government has already included this funding in the budget. According to estimates by independent experts, the actual amount, not counting inflation, would already exceed that amount by a factor of nine. Considering the program's goals and the amount of taxes collected, even R18 billion is not a lot. That is to say, once again what we have is an empty declaration that does not pursue the objective of achieving real results in the fight against crime.

The conclusion drawn from the figures that our editorial staff has available is depressingly simple: your safety and mine is in our own hands. Should we band together to protect ourselves? Should we move about the streets in groups? Or should we think about getting a new government? The choice is ours...

Nizhniy Novgorod Mayor on Local Issues
944F0504A Moscow ROSSIYA in Russian No 11,
23 Mar 94 p 3

[Interview with Dmitriy Bednyakov, mayor of Nizhniy Novgorod, by Yuriy Kozlov; place and date not given: "The Inverted Triangle of Authority"]

[Text] Mayor of Nizhniy Novgorod Dmitriy Bednyakov on local self-government, on his dispute with Boris Nemtsov, on the situation in GAZ [Gorkiy Automobile Plant], and on the socioeconomic policy of the city administration.

Dmitriy Bednyakov, 42 years old. A lawyer. Candidate of Juridical Sciences. In 1991, the session of deputies of the Nizhniy Novgorod City Soviet did not approve his candidacy for the post of head of the city administration. He was appointed acting head of administration by an edict of President of the Russian Federation B. Yeltsin. A year later, in February 1993, after an account about his activity, he received the absolute support of the deputies of the city soviet (105 votes out of 138 who voted).

[Begin boxed item]

From the program of Dmitriy Ivanovich Bednyakov, candidate for the post of head of local self-government of the city of Nizhniy Novgorod

- social support of every Nizhniy Novgorod family, especially those with many children, and assistance to invalids and to the aged;
- support of programs for the development of education and health services;
- fight against crime;
- support of Nizhniy Novgorod enterprises and entrepreneurs;
- limiting local taxes and allocating tax benefits;
- reduction of the bureaucratic apparatus and cuts in expenditures on administration.

[End boxed item]

[Kozlov] Dmitriy Ivanovich, in your opinion, what brought on the need for elections of the head of local self-government of Nizhniy Novgorod?

[Bednyakov] Strange as it may seem, it is most of all associated with the adoption of the new Constitution. It provides for the rather independent existence of local self-government. Article 12 states explicitly that local self-government is not part of the system of organs of state authority. And this is the main reason for today's and future disputes that arise between organs of state authority of components of the Federation and local self-government. I would express the gist of the dispute in this way: Will there be or will there not be local self-government? Today, many governors and managers of executive authority of the Federation conduct themselves with respect to local self-government in approximately the same way that the center conducted itself two or three years ago with respect to the components of the Federation. Having received authority, they, with passionate force, do not want to part with it, although the Constitution does proclaim the independence of local self-government. But in fact, the governors do not need this independence, and they are resisting it as much as they can. They want the heads of local administrations to be appointed and not to be elected. Unfortunately, the president's administration often shares this point of view, although it also does not hinder elections where they are already designated.

[Kozlov] That is, the issue is not to let local self-government break away from organs of state authority of the components of the Federation?

[Bednyakov] Let us imagine, for example, two pillars: legislative authority and executive authority. If vacillations began at a high level, they were passed on down these pillars to the lowest level, to the rural soviets. Local self-government today seems to support the pedestal of both pillars. At the level of local self-government, legislative and executive, and I think in the near future the

judicial functions as well, will merge and unite—we will also come to Justices of the Peace. In my opinion, the matter stands like this: The "pedestal"—local self-government—will get stronger, and stability and order will become firmly established. Vacillations at the upper level will stop influencing the life of every citizen in the country. Today, unfortunately, many managers of the components of the Federation do not understand this, and they simply do not want to share authority.

[Kozlov] Probably, not so much executive as much as budgetary and financial authority?

[Bednyakov] We analyzed the budgetary relations of the city. Interesting details were ascertained: In fact, the oblast budget was almost always equal to the consolidated budget of the city. But in the three last years, a trend in the sharp growth of the oblast budget and a reduction in the city budget have been noted. We are collecting more than 50 percent of the taxes that make up the budget of the oblast. Less than 20 percent remains with us. Virtually all financial resources are concentrated at the level of components of the Federation, but local self-government depends fully on representatives of executive authority. It is necessary to go and ask on every occasion. This is by no means a Nizhniy Novgorod dispute, but, if you like, an all-Russian dispute.

[Kozlov] This means not only "to fight or not to fight," but also "to be or not to be" for local self-government in Russia?

[Bednyakov] In order "to be," it is necessary, first, that both the representative organ and the head of local self-government absolutely be elected by the people. Second, it is necessary to set up an appropriate legislative base. Only in such a case will an elected person receive a vote of confidence from the people and depend less on who appointed him, even if it is the president himself.

[Kozlov] Under what circumstances did you become mayor of Nizhniy Novgorod? Over the course of two years, what did you think was fundamental in your work? And what did you succeed in doing?

[Bednyakov] I did not plan to become mayor. I collaborated as an expert and a consultant with the Supreme Soviet for two years—in committees on legislation, and on questions of legality, economic reforms, and property. I took part in the development of laws on privatization, foreign investments, enterprises, stock market funds, and many others. I became acquainted with Boris Nemtsov there. When the question on his appointment as governor was decided, he suggested that I become mayor. I refused for a long time, because I was planning to engage in science in an earnest way. I had published more than 40 publications, I was a candidate of juridical sciences and a docent, and a monograph appeared in the publication *YURIDICHESKAYA LITERATURA*. I planned in March 1992 to defend my doctoral dissertation, but Mr. Governor persuaded me. As of this date, we have departed substantially from totalitarian economics, and from a totalitarian state. Since we are talking about

the economy, then it is already mixed in Nizhniy Novgorod, and in some sectors—trade and public catering—with a predominance of private capital. It is also possible to talk about elements of a democratic, civic society. What did we succeed in doing? First, to form a city administration team that worked on the resolution of city problems "not for the sake of personal profit." It was possible to achieve a certain stability in the work of the city economy and transport. Nizhniy Novgorod has one of the lowest rates of decline in production in Russia. Our entrepreneurship is fairly well developed. Finally, we succeeded in establishing a rather effectively acting mechanism of social protection of the poor. Although we are only at the beginning of the road. I do not like such words as the "Nizhniy Novgorod experiment," the "training ground," and so forth. We have always acted independently and in the interests of the residents of our city. But the main result of my "mayorality" is that a definite reserve of stability for the future has been established.

[Kozlov] Both you and Boris Nemtsov are known in Russia, and even beyond its boundaries, as staunch reformers and organizers of the famous Nizhniy Novgorod "economic miracle." An article appeared in the press recently that indicates that differences have arisen between you. What is the gist of these differences? Are they associated with the forthcoming elections for mayor in Nizhniy Novgorod?

[Bednyakov] This is not an easy question for me. We do not have any fundamental differences regarding how to reform the economy. But it turned out that on the threshold of the elections, Governor Boris Nemtsov is not supporting me, but another person. I thought for a long time about the reasons for this behavior of the governor, and I came to the conclusion that there are two reasons. First: I told the governor too often about the mistakes he made and is making. Let us put it this way—he got sick of this. Although as a physicist, he should know that you can only be supported by that which offers resistance. It is impossible to lean on anything that does not offer resistance. The second reason, apparently, is that I consistently defended the interests of the city. Moreover, it is not so much a question of the redistribution of power as it is very simple things. If I am charged with appropriate functions and duties, this means I should receive the necessary amount of authorities and resources in order to fulfill them. There are laws on the status of judges, on the militia, and on the protection of the rights of servicemen. It is written there that I am obliged in the course of six months to give an apartment, install a telephone, set up their children in kindergartens, and so forth. When I say: Give me the money for this, they reply: You will get by! And I am left one on one with infuriated people.... I will never resign myself to such an understanding of authority—on the one hand, to control everything and, on the other hand, not to be responsible for anything. We seem to be dealing here with an inverted triangle. With its point, that is, with a real capability to resolve society's

social problems, it is aimed downward. At the same time, from the standpoint of control and the capability to distribute financial and various resources of these sides, it is aimed endlessly upward. There is this concept of "city-forming enterprises." Previously, they were financed from the budget. Of the allocated resources, 20-30 percent went for the development of the city infrastructure. All of this ended in 1990. According to our calculations, Nizhniy Novgorod city enterprises received R900 billion less than was due. And, meanwhile, city infrastructures are becoming dilapidated. We are not being given any money. People come to us because of housing, the roof is leaking, the heating system does not work.... The most difficult for me is when I have to refuse. I am told: Lie, promise more. I cannot.

[Kozlov] In what way does your preelection program differ from the program of the other candidate?

[Bednyakov] Sociologists claim that 80 percent of a preelection campaign should be built on lies and promises. Thus, Mr. Krestyaninov—my rival—claims that the problem of dilapidated housing can be resolved in two years. There are 7,000 dilapidated homes in the city. Can this problem really be solved in two years? This is how our programs differ. My program is a critical analysis of what has been done and a specific direction for the city's development in the future. His program is hare-brained schemes and promises. I am for a Nizhniy Novgorod self-government charter, in which individual rights would be strengthened. Krestyaninov is opposed. He wants from the beginning to adopt a charter for Nizhniy Novgorod Oblast in which city "freedoms" would be limited appreciably and subordinated to oblast executive authority. I am for a strong city. Then there will also be a strong oblast. He wants to reduce the significance of the city.

[Kozlov] In your opinion, is the situation at the Gorkiy Automobile Plant changing for the better or for the worse? How was the dispute resolved between Boris Nemtsov and Vidyayev, director of the automobile plant, in which both the president and the chairman of the government took part?

[Bednyakov] There is a rather severe, and I would say unprecedented, directive of the government, signed by Chernomyrdin. Nemtsov has two claims against the automobile plant. First: He says that there was a blunder in foreign investments. So, a new director will come—Pugin—and then.... I think this is an illusion. Foreigners will not invest in the Russian automobile plant. They do not need competitors. Indeed, they are not in much of a hurry with investments in general. The second claim is that Vidyayev is managing the plant poorly. Pugin will manage better. However, the plant not only has not come to a stop, but it is even increasing the volume of production. By comparison with 1992, the increase in passenger cars totaled 26 percent! The automobile plant is kept under strict executive discipline. If you now begin

to reform it drastically, introduce new methods of management, and so on, it could fall apart and come to a halt. But the Gorkiy Automobile Plant is the heart of the city and the oblast. I am afraid that, with the arrival there of a new person who is not burdened by any kind of obligations to the plant collective, the entire plant social sphere will be instantly sloughed off on the city budget. And this is 30-40 percent of all of the housing! The plant now independently maintains its own social infrastructure. In the meantime, preparations are under way to collect stockholders. Incidentally, the situation with vouchers, which the managers of the plant allegedly accumulated for money allocated from the budget, is not really that simple. They claim that they bought the vouchers for resources earned owing to the additional output of passenger cars. The results of the check auction have not been canceled. An annual balance will be conducted at the end of March, and everything will become clear then.

[Kozlov] The city charter, in whose development you participated directly, will be submitted in a referendum simultaneously with the election to mayor. What will the charter give to the people of Nizhniy Novgorod?

[Bednyakov] The charter is the springboard around which the policy of the city authorities will be formed—it is the legislative base. The charter describes who can do what, what cannot be done by someone, and what rights citizens have. For example, it states there: "Citizens have the right to collective petitions and appeals. Citizens have the right to attend any meetings of the organs of local self-government. Citizens have the right to be heard out by any official." This is a charter that restricts the arbitrariness of officials and protects the rights of ordinary citizens. We want to print it for wide circulation, so that it would be in every apartment, and so that people not only know, but also would be able to defend their own rights.

[Kozlov] Dmitriy Ivanovich, in your opinion, what is now determining the political and economic situation in the country? Which way is Russia moving—toward confrontation or stabilization?

[Bednyakov] I think that a repetition of the events of October of last year is not likely. The people are tired of politics and will hardly actively support any one of the disputing parties. There are fewer and fewer reasons today for upheavals in society. People's expectations are associated not so much with the possible actions of the authorities as with specific matters—theirs and those close to them. And this is the beginning of stabilization. People are beginning to realize that their fate is in their own hands and that they are able to improve their life. And if life is changing for the better, no one needs any upheavals.

Report, Comment on Nizhniy Novgorod Mayoral Election

944F0506A Moscow RABOCHAYA TRIBUNA
in Russian 29 Mar 94 p 3

[Article by Vladimir Noskov: "Elections '94: A Billion and a Half Split Three Ways"; commentary by Valentin Loginov]

[Text] Ancient and once tranquil Nizhniy Novgorod was quite unlike itself in February and March—all because of the mayoral election campaign.

At first everything seemed to go "according to plan." The other candidates for mayor besides incumbent D. Bednyakov were two of the city's well-known individuals, Ye. Krestyaninov and O. Maslov. True, the latter dropped out during the registration period "due to an insufficient number of voter signatures for nomination."

However, the two remaining candidates have waged such a campaign that the citizens of Nizhniy Novgorod have begun following it just like they do events on the shows "Santa Barbara" and "Simply Maria." The election campaign gets daily coverage on the two local television channels.

The two candidates were allies until just recently. Together with the governor they discussed and decided all the key issues in the life of Nizhniy Novgorod's citizens. But then at some point (exactly when remains a mystery to a majority of the city's population to this day) their relations went sour. Worse yet, B. Nemtsov, abusing his official position and violating his own "democratic principles," set out to "dump" Dmitriy Bednyakov, his former protege. Now he likes Ye. Krestyaninov better. Nor did the governor make any secret of his sympathies. Higher-level authorities pointed out to B. Nemtsov that he was in violation of legislation when he campaigned in favor of Yevgeniy Krestyaninov. Supposedly the governor should remain neutral in election campaigns.

However, last Friday evening, just two days before the election, in a speech broadcast on local television the governor gave the people a *de facto* ultimatum: do not elect Krestyaninov, or bad things would happen to the city. That same evening Bednyakov stated on a different television channel that under pressure from the governor he had been forced to withdraw the "city charter" from a referendum which was supposed to take place simultaneously with the mayoral election. He also issued an invitation to independent observers to oversee the election.

The next thing that happened was completely unexpected. At around midnight Yevgeniy Krestyaninov showed up at the television studio and announced that he was withdrawing his candidacy. And under the election statute that could mean only one thing: no mayoral election could be held.

The next day, on Saturday, people waited to hear local radio and television reports announcing that the governor and the two candidates had come to some sort of agreement. Yet nothing changed. The result is that the election was not held. Approximately a billion and a half rubles of budget funds had been spent for nothing. And that despite loud talk—broadcast around the world—of "new democratic principles in local government..."

Our Commentary

Never before have the people of Russia seemed so passive with regard to their voting rights as in the course of elections to local representative bodies that began late last year. Voter turnout hit a "record" low at about one-third of eligible voters. Yet there were seemingly innumerable okrugs, rayons and cities where the numerous candidates for deputies' seats were not able to get even 25 percent of voters to turn out on their first attempt. As you will recall, that kind of "massive" turnout is now sufficient to constitute a legal election.

Last Sunday elections were held in approximately 30 regions. This does not include areas where a runoff election was scheduled. The final results of this latest stage in the sluggish campaign, enlivened only by scandalous events of the sort that occurred in Nizhniy Novgorod, may become available in a day or two or, most likely, at the end of the week. But judging by fragmentary preliminary information received from a number of regions, the voters were once again none too eager to perform their civic duty. For example, nine districts in Nizhniy Novgorod will have to hold runoff elections for local Duma seats. In Ryazan only one candidate for deputy out of 14 was elected, and in Novgorod no Duma election was held at all in one out of eight districts. Voter turnout in three Bryansk districts ranged from 18.5 to 22.2 percent... Good grief, should we just start over? Oh, Moscow, give us a few more billions!

From the Russian Federation Central Election Committee and structures close to the president there have been complaints that local elections are just taking place spontaneously, without any sort of "sponsorship" on the part of federal authorities. Supposedly if the latter were to "get involved" the outcome would be different. It is also supposedly time to finally approve a whole series of laws, one of the most important of which would pertain to fundamental guarantees of citizens' voting rights and... financial support for election campaigns.

But citizens are sick and tired of these "democracy games" in which they are supposed to play the role of spectators. A majority of citizens see no benefit whatsoever in all these expensive elections, referendums, polls, etc., which threaten to become endless. Therefore they are in no hurry to get out and vote... It would seem that this is clear to everyone by now. Unfortunately, everyone has not yet realized who does in fact benefit from all THIS. Who is it? Just the bureaucrats and administrators who are gathering more and more local power into their

hands. And perhaps some bureaucrats higher up as well? Think about it, voters. Think!

Nizhniy Novgorod Economic Reform Highlighted

944F0498A Moscow *IZVESTIYA* in Russian 29 Mar 94 pp 1, 5

[Article by Rustam Arifdzhanyan and Anatoliy Yershov: "Reform Fair: Nizhgorod Alternatives"]

[Text] Nizhniy Novgorod-Moscow—There were always things to see in Nizhniy Novgorod. Its own kremlin. The spit—the confluence of the waters of the Volga and the Oka. The old merchant houses. The fair itself—it was in Nizhniy in the past that the all-Russia price of grain and salt and the European price of tea were established. There was little admiration for Nizhniy in the recent past. A closed city, "off-limits." Now the Volga city is not being denied attention by business people, despite the stinging prices of the hotels, trains, airplanes, and public and private catering outlets—they are coming to see the reforms. And the city, knowing what makes it attractive, is trying to put itself on display. There is already a whole reform fair here—noisy, shrill, venturesome—but beneath the clamor and sham gaiety—business is getting done, the bargaining proceeds.

Money Purse or Head

The economic guide in Nizhniy currently is the round-faced man of Vyatka, Vladimir Yefremov, deputy leader of the Department of Economics and Forecasting. A student of Aganbegyan and a professor who acquired his black gown in the city of Springfield, Massachusetts. Only there is no way he could be called a "Chicago boy," although he is the coeval of the reformers of Gaydar's team. A "Springfield man," rather.

The style of all the reforms here is, according to local governor Boris Nemtsov, "a mixture of Nizhgorod and Anglo-Saxon." Yefremov, who turned down a monthly salary of \$10,000 in the States and who was summoned here after Yavlinskiy to continue the reforms, could not be better suited to this style, just as he could not be better suited to today's post-Gaydar government policy.

This is the generation of 30- to 40-year-old conservatives, as we understand it here, which was pushed back by the Moscow reformer-liberals, but which is now gaining strength and finding its voice to the affable approbatory smiles of the "good old types"—from the directors through the prime minister. One of their main slogans: We should not be reinventing the wheel. We had everything. What we needed to do was fix, but we broke. They call themselves marketeers, but commonsensical.

The proposition is this: Property in Sweden is still 50 percent state-owned, and the state manages this property. We had this experience of management also. According to Yefremov, you can purchase a brochure containing a plan of the state's development for the year at a newsstand in any state in America. We had an

excellent planning system. It was not preserved. Yes, it was excessively detailed, but it merely needed enlarging, yet we threw out everything. According to the principle: All or nothing.

Yefremov's principles are shorn of details. Freeze energy prices and rail tariffs. Introduce a fixed currency exchange rate. "It is impossible to imagine that our economy is 1,700 and more times weaker than the American economy" (quotation). The distortion of pricing is obvious. And, of course, revise the tax system. Not collecting from profits, say, but for land. World practice: As soon as the sum total of taxes exceeds 35 percent, entrepreneurial activity winds down. With us 4-7 kopeks are left for development from R1 of profit in light industry, for example.

Inflation is not, of course, to be feared. In Brazil it reached an annual 1,800 percent—and was overcome. In Germany after the war, 1,300 percent—and it was endured....

Nizhniy Novgorod was in recent times always in some opposition to Gaydar's reforms. Yavlinskiy spent six months on the building of a capitalism with its own character here, in the military-industrial Volga citadel. Yefremov is not as famous as the author of the "Nizhgorod EPilog" program, but he is a manifest antimonetarist. "Good old types" are his favorite words.

"I could be saying something that is faintly ridiculous here, but sensible types will understand. Moscow has always been Russia's head, Petersburg, its heart. Nizhniy, its pocket, its money purse. Why not combine head and purse. Take Yeltsin, ours is a popularly elected president, and Chernomyrdin also, a sensible type, it would seem, and bring them here to us, to the Kremlin. Let them work here. And the servants, the entourage, all these bureaucrats mired in intrigues and the devil knows what all else, leave them in Moscow. Many states have only benefited from a change of capital...."

Generally speaking—a fair!

The Algorithm Is Regulated Common Sense

Money purse is putting it somewhat strongly, of course. The assets of all Nizhgorod's banks do not amount to R40 billion. Receipts from small and medium-sized business—R30 billion. Not that much. But Nizhgorod's aim is to maintain the social protection of the population and average wages at a level 10-15 percent higher than in the adjacent oblasts. "By uncovering local potential." Nizhgorod people love at odd moments to reach for their purses, emphasizing that they live in an area of high population solvency. There is money to spend. There are, accordingly, things to buy. Commodities do not leave but enter the region. Neighbors, understandably, complain: "You are sucking up everything like a vacuum cleaner."

In terms of level of development Nizhgorod Oblast is approximately on a par with Ulyanovsk Oblast. Only the

approaches are different. The Nizhegoroders are constantly raising the social plank of protection of the populace—they are paying more—from their budget. In terms of price liberalization, on the other hand, they are in first place in Russia, just about. Merchandise is more expensive. In Ulyanovsk, on the other hand, it is subsidized. Prices and wages are lower. It is believed in Nizhniy Novgorod that sooner or later the Ulyanovsk policy will bring about a landslide and a social explosion which will sweep all away there.

The Nizhegorod algorithm, once again as they themselves claim, is regulated common sense. Russia, they believe, does not have enough of this. And the continuity, not the darting here and there, and stability of the decisions that are made.

...Two Japanese professors came to Nizhniy. Also to study the reforms—the level of decisionmaking, competence, and so forth. And the Japanese reiterated a truth we ourselves know full well: Russians could manage 250 kg in the clean and jerk—as distinct from us. But 10 kg each day—this is tedious and difficult.

The Nizhegorod reform is undoubtedly Russian in spirit. Closer, that is, to a clean and jerk than actual weight-lifting. Regulated common sense suggests to Governor Nemtsov that gradual work is by its gradualness imperceptible. And here—the fair! The merchandise must be colorful. Otherwise, it will not be purchased. Moscow must notice and evaluate what is happening in Nizhniy, otherwise it will not provide any money. It is with them, after all, only the purse that is of local workmanship, the money in it comes from Moscow. Or that which is their own, but which has to be given to Moscow in the form of taxes, so that this, you have to reckon, is "Moscow's" also.

In principle, the entire Soviet time Gorkiy Oblast lived on money obtained from the center. Enterprises of the military-industrial complex comprise the oblast's main industrial potential. The sovereign's domain. Even now Governor Nemtsov is free from Moscow in his actions only in respect to the money that remains in the oblast budget. Fifty percent means a half-baked freedom. Less means even less freedom. So it is everywhere, for that matter. He could be reconciled to this. What is he governor for? To convey to his parts the will of the center and to watch to ensure that it is executed and to unwaveringly execute it himself. But freedom is a sweet-sounding word. And he wishes to press the weight....

...There is a fable in Nizhniy Novgorod to the effect that Nemtsov and Yavlinskiy are bosom pals. This is hardly the case. A tremendous distance separated the radio-physicist who broke into big politics in an antinuclear (against the building of a nuclear power station) demonstration movement and the deputy chairman of Silayev's Council of Ministers. But Nemtsov, the deputy of the Russian Parliament, was striking on account of his youth, energy, and talent. In August 1991 he stood alongside Yeltsin, and the photo made the rounds of the

world's press. Alongside the vigorous president, a young man in an unusually fashionable long coat. Tall, a curly mop of hair, and a flashing smile. A leader out of the ordinary for the Soviet image. In that, now absolved, August it was Nemtsov, it is rumored, who was sent by the president to negotiate with the Taman Division. He did so. The Taman Division did not support the putschists. Nemtsov was appointed presidential governor-general in Nizhniy, and then became head of the administration. The first session of the oblast soviet decreed his glorification as governor.

Even in this there was a certain challenge to tradition. But common sense suggested to Nemtsov that this was necessary.

The Best Opposition to the Reformers—Our Own Reforms

By virtue of his age (he is now 35), love of experimentation (the radio-physicist), and ineradicable desire to be in the public eye, Nemtsov was made for reforms. But not to execute someone else's, to implement his own. He lacked, naturally, economic knowledge. Shopfloor experience also. There was no room in Gaydar's team. As there was no place in it for another reformer—Grigoriy Yavlinskiy, who is very similar to Nemtsov not only in mentality ("500 Days"—was this not a clean and jerk?) but, take a closer look, even outwardly. The former deputy chairman, who had gone unclaimed by Moscow, would go to Nizhniy. Unrecognized by that same "Gaydarite"-replenished Moscow, Nemtsov invited him to devise a particular Nizhegorod model.

The model incorporated traits of their characters and the qualities of the strata on which the "provincial reformers" relied. Dislike of the haughty capital. Dislike of the monetarists. Dislike of daily routine....

The fair is a state of mind.

Nemtsov, Yavlinskiy, and three local leaders—Krestyaninov, chairman of the oblast soviet, Bednyakov, mayor of the city, and Kosarikov, chairman of the city soviet—constituted Nizhniy Novgorod's "top five." Officially they called themselves the Coordinating Council, the people joked: "our Politburo."

The Coordinating Council met daily—for a couple of hours in the afternoon. The practice of urgent decisions of the governor was verified by the theory of specialists of the EPICenter, who had moved for the time being to a Nizhegorod country cottage. Yavlinskiy's theoretical computations were put into practice.

Among the most striking experiments has been the privatization of truck transportation. One was immediately struck on the oblast's roads—before the introduction of new license plates—by the unusually large number of trucks with private numbers. Small-scale and medium-sized privatization was carried through relatively quickly and successfully. We, a native Nizhegoroder and a guest from Moscow, are even today struck by

the particular "capital" schooling of the local waiters and the interiors of the private cafes and restaurants.

The turn in the "food pipeline" in the direction of Nizhniy Novgorod is one of the main achievements of the local reforms. As also the fact that, despite the reduction in jobs at industrial enterprises, there is not a strong growth of unemployment. People are finding jobs in services and private business.

And also, of course, foreigners—initially simply the curious, then specialists—followed one another to Nizhniy Novgorod in the wake of Yavlinskiy—an economist of world renown. A newspaper in English, NIZHNIY NOVGOROD TIMES, was even started up in the city. There is the demand for it.

And it transpired that money for the local reforms could be sought not only in Moscow but in the capitals of other, more developed states also—the States, Great Britain. The Nizhgorod model of privatization of the sovkhozes and kolkhozes took a year of work and \$2 million. Specialists of the International Finance Corporation headed by the American Anthony Doran worked without compensation practically, more, "at their own expense." We have already expounded the model in IZVESTIYA. The land and the assets are divided into shares, which each member of the farm receives, the retiree included, and he then puts them up at public auctions—land and property. At the last auction, two weeks ago, Chernomyrdin, together with all three of his deputies, was in attendance. Nemtsov was nervous, but ultimately got the result he wanted. The prime minister liked the experiment so much that he declared: "Prepare the proposals. We will support them."

The support will, most likely, appear as follows. The Nizhgorod model will form the basis of a national program of privatization in the countryside. This is tremendous moral satisfaction for the local reformers. The Nizhgorod people will receive money for continuation of the experiment—material satisfaction. And the money will, naturally, come, what is more, from the same bag on which the "agro-industrial complex" has already been raised. Some amounts from the trillions extorted by Zaveryukha will go to Nizhniy Novgorod. The Volga people may be congratulated on a successful trade. Reforms are a commodity like anything else: Sold successfully, they bring in money....

Things are more difficult with industry. Collapse. Non-payments crisis. Lack of investments. Nemtsov would look ridiculous if, like everyone else, he went to Chernomyrdin and pestered with him with his requests: "Give us money, Viktor Stepanovich." This is what everyone is doing. Nemtsov the reformer is asking for investment tax credit. There is no need for money. Permit for some period of time some of the taxes paid into federal coffers to remain in the oblast coffers. We already have an Industry Support Fund based on local commercial banks and local taxes, and the priority sectors of the economy have been determined here. Let us give it a try. We are

sure that we will give industry a lift. Chernomyrdin fell to thinking. It seemed to us that the idea pleases him more than it irritates him.

Nemtsov is going further. The Ministry of Defense has run up debts to local enterprises of the military-industrial complex and has nothing with which to settle accounts. Let us, then, introduce bills of exchange. We have run up debts to the power engineers? Let us with the YeES Rossiya stock company introduce paper-credit relations. And they are being introduced. Is it not under the influence of the Nizhgorod people that Chernomyrdin also is talking more and more about the bill of exchange as a lifesaver in the sea of the general nonpayments crisis.

Nemtsov has quite a complex relationship with the industrialists. Initially the "red directors"—the main Russian power—greeted the young governor with ironical grins. The director of the GAZ, one of the Russian motor kings, said behind his back: "A boy, a young man, what does he know, what has he seen?" The directors were accustomed to the heavy tread of the first secretaries of the Gorkiy Oblast Party Committee. And to the fact that no one in the oblast would cross them. And here was Nemtsov—a nonclassical "boss"....

The dispute between the governor and Boris Vidyayev, the GAZ director, long ago went beyond oblast dimensions—the cause of a difficult struggle between the former "industrial activists," weakened without the "party" prefix, and the new authorities, which were becoming established. To the disagreements at the personality level—who likes to be called "boy"?—was added Vidyayev's management style: I am the No. 1 here, I will decide how the formation of a stock company is to proceed, I am the GAZ!

IZVESTIYA has already written about the nuances of the conflict, the machinations involving the purchase of stock at the plant, and the fact that the government has occupied an unequivocal position—to vote with the block of government shares for Vidyayev's removal. This, most likely, is what will happen on 8 April at the shareholders' general meeting. And then we can talk about the governor's next psychological victory. A lesson for the all-powerful directors. In addition, the local military-industrial complex has sensed Nemtsov's support, who is single-mindedly punching through for them permission for them to deal overseas in spares for the military product they manufacture. This will produce money. It will provide support on the world market. After all, things are becoming ridiculous—spares for our aircraft, say, are being manufactured and successfully traded by the French and the Germans.

A strong director reckons only with a strong individual. Nemtsov has established himself here. Not by indulging Moscow, not by toadying to it, but by outplaying it, out-bargaining it, as it were.

Nizhniy is a merchant city.

Third Capital

Of course, Vladimir Yefremov's dreams of Nizhniy Novgorod's "capital" future are speculative. This will hardly happen. But the appearance of other capitals alongside Moscow and Petersburg on the map of Russia is an objective process. Vladivostok, Yekaterinburg, and Novosibirsk are increasingly becoming independent not by dint of their remoteness from the metropolis. Under the conditions of sufficient economic chaos, self-reliance, given a sufficiently subtle game with Moscow, is the healthiest style of behavior. This is working for Nemtsov better than the others. He has not become a hostage of local powerful clans and groupings, as in Vladivostok, and has been in no hurry to announce a Nizhgorod Republic in the style of the Urals people. The Nizhgorod blood of his forefathers has been stirred in the "Sochi city boy"—this is where Nemtsov's childhood was spent. Just try out-bargaining them.

But together with the smarts, the Volga people were always characterized by a certain provincial dreaminess. It is this that makes it possible to build far-reaching plans and to accomplish them with enviable doggedness. One cherished dream is the revival of the Nizhgorod Fair. A center of trade and, consequently, by no means of just the provinces.

The year of 1996 will be the centenary of the celebrated All-Russia Nizhgorod Fair. There are the following plans in this connection. Modernization of the airport. The organization of a high-speed Moscow-Nizhniy rail link. The building of a second block of the fair complex. World-class hotels. Permission for passage along the Volga of foreign ships. The construction of the new Yarmaka [Fair] Metro station. And a good deal more.

We spoke with one of Nemtsov's zealots, Vladimir Bessarab, director of the Nizhgorodskaya yarmaka Russian stock company, with a certain disbelief. But they are already building the second block. The main exhibition hall has been resurrected in all its splendor. Yarmaka recently won a prestigious prize—the Golden Arch—in Spain. And just two years ago Bessarab was staying as part of a threesome—with his secretary and accountant—in a cramped room of the local Rossiya Hotel. He got things going....

An urge to reform is not always to the good, for that matter. Thus at the time of the general cash crisis it was intended in Nizhniy to introduce its own currency—it was christened "Yavlinki" at that time. This, fortunately, did not happen. At the present spring elections to the local authorities two of Nemtsov's closest associates—Krestyaninov and Bednyakov—from that "top five" left, not without his influence, to contest for the office of mayor. And although they disputed in entirely civilized fashion, without sharply worded attacks, the competitive struggle swept them onto different sides, all the same. Why, to what end? They would have been better together.

Nizhgoroders have just not understood the latest gubernatorial experiment. The fair style has its costs. It allows of noise, publicity excesses, and the theatricalized nature of operations. But it is not, after all, a fair for fair's sake. A fair for the sake of business. Supposing they overdo it—outplay primarily themselves.

And one further important point. Nizhniy Novgorod is not a proving ground for the development of an all-Union model. Not everyone can be authorized to trade in weapons. Not everyone can be permitted to retain for himself a large part of federal taxes. The experience of rural privatization, which has been introduced everywhere, could under different conditions hit the farmers hard. Nor in every city is it possible or necessary to organize an all-Russia fair. A Nizhniy striving to become the third capital is not an example to copy. Each has its own character and its own path. This is Nemtsov's and Nizhniy's path.

Nonetheless, people are coming to Nizhniy Novgorod from all over Russia. And to the named train "Volga"—from Moscow—there has been added another—"Yarmaka." But people are not coming for the reason that their ancestors hurried here. Not for butter and salt, drapery and timber. They are coming to view the reforms. And the old days are being revived. Nizhniy Novgorod is gradually dictating, as it did formerly with prices, style. Independent, but with a backward glance at Moscow. Reformist, but with regard to traditions and tenor of life.

Anthony Doran's American projects are combined here with the understanding of the peasants of the reform village of Kovrigino. What is wrong with this as the essence of our life?

Americans Study Novgorod Reform Model

94F0510D Moscow ROSSIYSKAYA GAZETA
in Russian 29 Mar 94 p 3

[Article by Dmitriy Grasov under the rubric "Privatization": "Americans Failed To See Capitalism"]

[Text] Nizhniy Novgorod was selected as the exhibition and demonstration city. This was where foreign delegations and teams of journalists were taken to be vividly shown the "locomotive of privatization" with all its tenders, check auctions for pistons, and investment trading sessions for boilers.

However, a year later the American nonprofit organization Heritage Foundation published the results of its independent expert review of the operation of this "locomotive." The authors met with a number of entrepreneurs engaging in production and commercial operations and familiarized themselves directly with the operation of privatized enterprises and shops in the city.

The fact that large state enterprises try in every way possible to avoid the sale of their shares on the open market in the course of privatization was the first

discovery the Americans made. The enterprises resort to reserving a considerable proportion of the stock for the management of the enterprise and distributing shares among the workers at symbolic prices, as well as transforming the most profitable state enterprises into privately held joint-stock companies.

A note of surprise can be felt in another observation: Large investors are buying state enterprises out of...state credit, although in civilized countries, the seed capital for such purchases is generated by the investors themselves through issuing their stock, before the credit is extended. Moreover, Russian officials extend credit in a somewhat suspect manner, "without appropriate security," being guided in the process by "motives far removed from those of a market economy" (what a cultured way to put it!).

Following a discourse about a shortage of capital for privatization, vouchers were faulted too. So far, this "measure has failed to produce real results and was a political rather than economic measure" called upon to mitigate social tensions, which is what some of us guessed long ago. Of course, a profitable and effective enterprise can be sold to its employees in the expectation that it will keep working just as smoothly. However, as the experience of the Americans indicated, the expectation that workers would work better on becoming owners has not been confirmed in reality. The management is not capable of managing the enterprise effectively, knowing that it may be fired at any moment by employees who are unhappy with the high requirements imposed on them.

The Americans encountered one eye-opener after another: Model samples of contracts between the management of enterprises and the former organ of property management as represented by the state or municipality are foisted on enterprises. The system of issuing licenses to operate becomes an additional source of pressure on privatized enterprises brought to bear by state structures.

The authors of the analytical review plunged into the thick of the entrepreneurial masses, unlike the small groups of Western experts who, it is noted with a measure of sarcasm, pay sporadic visits to Nizhniy Novgorod, where they spend a few days in consultation with representatives of the power structure. Glaring facts are stated with alarm: Producers pay value-added tax, although the goods may not have been purchased by consumers. Retroactive amendments to tax legislation compel the payment of taxes on operations which at the moment of their performance were not taxed. Any reporting by state officials on the disbursement of funds collected for a certain "highway fund" is absent. Although everyone to a man pays this strange tax, the condition of the roads in Nizhniy Novgorod remains poor. There have been no changes in the tax system conducive to privatization in Nizhniy Novgorod; on the contrary, a new tax for maintenance of the housing stock (1.5 percent) has been introduced. The discovery of the last "eye-opener" caused the altogether divine horror:

The total of all taxes comes to 75-85 percent, world practice pointing to no more than 35 percent.

The fact remains, the authors themselves stress, that privatization of state property is proceeding at a high rate, but "genuine" results have not been registered so far. Why?

I also visited a demonstration check auction together with one of the teams of journalists. At a cocktail party given by Western consultants I tormented several directors with this question—will "their" privatized enterprises operate "capitalist-style," i.e., in an effective and competitive manner? The captains of industry kept their enigmatic silence and smiled politely in response to the naive question. Their smiles betrayed the wisdom of life and the knowledge of something that was obvious to them but beyond me. The answer to this question also remains a mystery to the authors of the analytical review, although they did share their thinking on this account.

First, privatization is not carried out to find additional sources for replenishing the budget. Second (the hint is not as heavy but likewise understandable), with our type of privatization, some officials are getting an opportunity to pressure private investors (apparently, the Russian word "extortion" is meant), while other officials "who are privy to privatization" are getting a chance to "keep their positions in the economic sphere." At this point we would like to add that the "former" and the "latter" may be one and the same.

Third, it turns out that state structures that are burdened by debt strive to sell enterprises placed under their control at the highest possible prices to—oh horror!—foreigners. In turn, the foreigners have to pay not only the state but also directly the officials responsible for privatization.

Easy credit is necessary for the buyout of small trade, public catering, and consumer-service enterprises (oh holy simplicity!) instead of the endless discussion by the state authorities of the dilemma as to whether leased enterprises (for which leasing rights were purchased at auctions, to boot) are to be transferred to lessees as their property or not.

The authors observed that the model of providing Western assistance should be revised. The funds are used mainly to enrich the individuals engaging in their distribution; technical assistance boils down to organizing seminars abroad for the officials of state establishments. In an elegant bow, the authors hope that the issues raised in their analytical review will generate a discussion. We hope so too.

INTERNATIONAL AFFAIRS

Vladivostok Talks Said To Show U.S.-Russian 'Equality'

944Q0279A Moscow NEZAVISIMAYA GAZETA
in Russian 18 Mar 94 p 4

[Article by Dmitriy Gornostayev: "Test of Strength for Moscow-Washington Relations Seems To Have Been Conducted at Kozyrev-Christopher Meeting, Which Did Not, However, Produce Any Sensational News"]

[Text] Vladivostok and Moscow—Perhaps the most important thing about the Vladivostok meeting of Russian Foreign Minister Andrey Kozyrev and U.S. Secretary of State Warren Christopher is the very fact that meeting took place. For notwithstanding Moscow's and Washington's assertions to the contrary, their relations have recently begun to cool somewhat. The talks in the Far East were intended above all to give the sides an opportunity to explain their positions.

Andrey Kozyrev has compared the relationship between Russia and the United States to a marriage: "The honeymoon is over." And this is indeed the case. But problems that they didn't think about before, not even believing they existed, remain and have made themselves known. The first one is Russia's special opinion on air strikes in Bosnia. The events that followed—Vitaliy Churkin's successful talks, Russian Federation Boris Yeltsin's appeal, the dispatch of Russian troops to Sarajevo, in short, all the factors that proved the Russian policy's effectiveness and consequently Russia's diplomatic success—were hardly something the Americans liked very much. Then came the series of mutual disclosures of Russian and Western intelligence agents and ex-President Richard Nixon's conduct in Moscow, conduct that offended Yeltsin. In this way, minor frictions accumulated into an array of problems that simply had to be discussed.

Nevertheless, it is a good thing that the sides have a marriage contract—the Moscow Declaration, which the Russian and U.S. presidents signed at the conclusion of Bill Clinton's visit to Russia. The Russian and American foreign ministers used that declaration as the basis for their discussion of the entire agenda of Russian-American and international problems. That document sets forth the principle that relations between Russia and the United States are to be given the character of a mature and equal partnership. And in Vladivostok Andrey Kozyrev emphasized the equality of the sides, with no junior or senior partners, leaders and led, superpowers and regional countries.

Of course, as major countries that in fact play a most crucial role in the world arena, the U.S. and the Russian Federation do have disagreements that the sides are trying to solve in different ways. Nevertheless, as Warren Christopher said, "we are bound by partnership." One condition of that partnership is constant consultations

between the sides, and an agreement that such consultations will be held was reached in Vladivostok.

As an example of that equal partnership, Andrey Kozyrev cited an agreement reached in Vladivostok that Russian experts will take part in efforts to draw up a program on the problem of nonproliferation of nuclear weapons and missile technologies and on cooperation in the field of technologies, dubbing it a "new COCOM." In the first stage, Russian specialists will begin producing a draft in conjunction with the Americans, a draft that will not be based on anyone's unilateral proposal. Christopher, elaborating on that idea, stressed that "for the most part we are working together," although "depending on the issue, partnership can manifest itself in various forms."

True, Christopher gave a somewhat strange answer to a NEZAVISIMAYA GAZETA correspondent's question at a press conference at the conclusion of the Vladivostok meeting, saying that the spy problem had not been discussed at all at the meeting. It is strange because, for one thing, before leaving for Vladivostok Kozyrev said that "spy passions" will be a focus of the talks, along with other glitches, among which he included the scandal-ridden Nixon visit. Second, both foreign ministers said that Russian-American relations "had been subjected to serious tests." One of those tests—at any rate, one visible to the naked eye—is the series of disclosures that began with the Aldrich Ames affair.

The cooling in relations between Moscow and Washington that both are dismissing at the official level was manifested primarily in the reciprocal disclosures of intelligence agents. Christopher and Kozyrev say that resolving this situation lies outside their competence. One can agree with this when the issue is one of agents' working failures. But when the scandal is blown up to all but international proportions, statements by the foreign ministers could play a positive role. For the resolution of military conflicts cannot be left to the sole competence of defense ministers.

More serious issues that Kozyrev and Christopher discussed had to do with international problems, not bilateral matters. Kozyrev briefed his colleague on his recent trip to Tunis and Tel-Aviv, telling him that both sides—the PLO and Israel—had shown a readiness to continue talks. As for Bosnia, deputy foreign ministers Vitaly Churkin and Chuck Redman will continue to discuss that problem. Christopher reported that he had asked Kozyrev to use his influence with the Serbs to persuade them to join the Muslim-Croat federation in Bosnia as a possible way to reach a peaceful resolution.

The Russian minister said he was fully satisfied with the position taken by our American partners on transforming the G-7 into the G-8. Russia's joining the Seven could take place at the next G-7 summit meeting in Naples in July of this year. In addition, Kozyrev told Christopher about Russia's special role in the ex-Soviet republics, and he said that the secretary of state had

understood that idea correctly. They also discussed the withdrawal of Russian troops from the Baltic countries, human rights, the Partnership for Peace program, and a number of other problems.

As had been expected, the meeting did not produce any sensational news. But it had to be held. One gets the feeling that the sides got up from the negotiating table breathing a sigh of relief: No dispute arose, although that could have easily happened, and the sides gave each other vitally needed, frank explanations of their positions. In general, until the next time disagreements arise—and this will happen at some point, for not all of the current disagreements were resolved—one can apparently take the view that the Russian-U.S. partnership is withstanding its test of strength for now.

U.S. Policy on Ukraine Said Directed Against Russia

*94Q0278A Moscow DELOVOY MIR in Russian
22 Mar 94 p 7*

[Article by Valeriy Sarychev, candidate of historical sciences at Russian Institute for Strategic Studies: "Washington's 'Ukrainian Card'"]

[Text] The recent American-Ukrainian summit in Washington was not marked by the signing of sweeping agreements. By reaffirming its commitment to the trilateral Moscow agreement on the Ukrainian nuclear weapons, Kiev secured Washington's consent to the offer of 700 million dollars in American aid to Ukraine and the extension of 400 million dollars in reserve credit in the future. From the standpoint of Russian national interests, however, it would be wrong to underestimate the results of the summit. The latest meeting between B. Clinton and L. Kravchuk, just as the Washington visits of the leaders of Kazakhstan and Georgia, suggested that the United States is competing vigorously with Russia for political and economic influence in the post-Soviet zone.

Kiev as a Counterbalance

We know that in the first weeks after Clinton arrived in the White House, he and his advisers were already making some effort to reassess American-Ukrainian relations. Whereas the Bush administration had conducted an uncompromising dialogue with Ukraine, suggesting that economic and other aid to Kiev be dependent on its renunciation of nuclear weapons and development of relations with Russia, the Clinton team is employing much more flexible tactics. According to the frank admission of U.S. Deputy Secretary of State S. Talbott, "we let our Ukrainian friends know that we are striving for broader, deeper, more meaningful, multidimensional relations with a view to our common interests in the spheres of economics, politics, and security."

It is precisely in this context that we must view the congressional hearings on the state of U.S.-Ukrainian relations at the end of June 1993, resulting in the

elaboration of the five fundamental principles of the Clinton administration's "Ukrainian" policy:

- "1. A country in the center of Europe as large and as rich in resources as Ukraine should be playing a decisive role in security matters in Central and Eastern Europe (CEE);
- "2. Ukrainian independence and sovereignty are important to U.S. national interests;
- "3. Our relationship with Ukraine will not depend on our relations with Russia;
- "4. In view of its history and geographic location, Ukraine has legitimate security concerns;
- "5. We believe that Ukraine's own interests would be served by the fulfillment of its commitments in line with the Lisbon Protocol, its ratification of the START I Treaty, and its affiliation with the Treaty on the Non-proliferation of Nuclear Weapons as a nuclear-free state."

It appears that Washington is pursuing several goals at once in its more active "Ukrainian" policy. First of all, it wants the complete elimination of Ukraine's nuclear arsenal, with the whole process under its own close supervision, because the state of nuclear security in that former Soviet republic is a matter of serious concern.

Second, it is striving for the more predictable development of the still extremely complex political and economic situation in Ukraine, primarily by discouraging the curtailment of reform and preventing the country from sliding into chaos and splitting into several states, which CIA analysts expect to occur in the next two years. "The problem consists less in how successful or unsuccessful America's actions are than in the uncertainty of Ukraine's own position. It proudly declares its independence, but it does not have the necessary experience to cope with genuine difficulties," the WASHINGTON POST remarked.

Third, from the standpoint of American geostrategic interests, an independent Ukraine should serve as a strong buffer zone between CEE and Western Europe and Russia. It is no coincidence that Washington has had a generally positive response to the idea of establishing various types of regional bloc structures along the western borders of Russia under U.S. and NATO control. Furthermore, Washington's own attempts to form groups of states of its own design in the post-Soviet zone have been accepted by all of the countries of the East European region without exception, including Ukraine.

In pursuit of the fourth and final goal, Washington has given up its earlier temporizing stance on Ukraine and other former Soviet republics, particularly Georgia and Kazakhstan, and now wants to take the lead in formulating and conducting Western policy toward the CIS and to limit Russia's geopolitical potential considerably by making the breakup of the USSR irreversible and keeping Russia from inheriting great-power status. As S. Talbott, the "generator" of American policy on the CIS

and Baltic countries, categorically announced, "we do not agree that Russia has a sphere of influence allowing it to behave in certain ways beyond its own borders with adverse effects on the independence of these states.... We do not even want to accept the implications of the term 'nearby foreign countries.'"

Therefore, Ukraine is being assigned the role of a counterbalance to possible Russian geostrategic and geoconomic ambitions, especially its hope of securing key positions for itself in the post-Soviet zone. During the recent American-Ukrainian summit, L. Kravchuk publicly agreed with this.

'We Need a Strong Ukraine'

Officials in Washington are not concealing the fact that the "Ukrainian card" will be played primarily in the sphere of military policy, where financial expenditures are not that burdensome but are extremely effective. Above all, this presupposes the offer of security guarantees to Kiev, with a view to its national independence and territorial integrity. As evidence of this, Ukraine was the first of the CIS countries to be included in NATO's "Partnership for Peace" program.

In addition to this, the Clinton administration wants to enhance its relations with Kiev with an extensive long-range program of economic, scientific, and technical cooperation, with a view to the impressive economic potential of Ukraine, which accounts for around 20 percent of the GDP of the CIS countries. In the opinion of several American politicians, during the effort to strengthen Ukraine's economy, America should try to lessen Kiev's dependence on Moscow by redirecting the Ukrainian economy toward the West. According to Z. Brzezinski, who has criticized the Democratic administration several times for putting too much emphasis on Moscow and not paying enough attention to Kiev, "if we do not want the revival of the Russian empire, we need a strong Ukraine."

At this time the State Department is working on several proposals to broaden economic aid to Ukraine and send a group of highly professional experts to that country on the condition that it take vigorous steps to decentralize its economy. There is no question that the agreement signed at the American-Ukrainian summit on the protection of foreign capital investments in Ukraine will have a positive effect on the development of trade and economic relations between the two countries. Besides this, Kiev probably will get the promised credits of 1.5 billion dollars from the IMF and the World Bank.

In view of the present disastrous state of the economy and the mounting separatist feelings in Crimea and several eastern oblasts, however, the Ukrainian leadership cannot put too much hope in a strong influx of American investments or in the U.S. offer to "usher" Ukraine into Western markets even if it does conduct a harsh confrontational policy in relations with Russia (which Ukrainian public opinion is unlikely to support).

Furthermore, Ukraine does not have much chance of joining the rapidly growing European Union or the "Visegrad Group," for which Kiev would be too "unmanageable." In other words, the circle is closing, and it may be impossible to escape Moscow.

'The Hand of Moscow'

Irrespective of the wishes of the Ukrainian leadership, the once prosperous former Soviet republic might have to rely on a helping hand (in accordance with market conditions) only from Russia in the near future. An economic policy with an anti-Russian thrust would be futile and dangerous for Ukraine. The roots of industrial cooperation are too deep, and its dependence on Russian crude resources, especially gas, is too strong.

This does not mean, however, that the RF Ministry of Foreign Affairs can turn the pursuit of Russia's "Ukrainian" policy over to Gazprom, which was so proficient in finding a solution to the problem of Ukraine's debts for deliveries of Russian natural gas.

The fact is that playing the "Ukrainian" card, just as other cards like the "Georgian" and "Kazakhstan" ones, could lead to the dramatic reduction of Russia's geostrategic and geoconomic capabilities under some circumstances. It is in Moscow's long-term interest to intensify integration processes within the CIS, establish a single post-Soviet economic zone, unconditionally give up the internationalization of problems between Russia and Ukraine (Crimea and the Black Sea Fleet), and support the social and economic structures in Ukraine with the strongest affiliation with the Russian Federation. Finally, it is time to consider more vigorous activity by Russian transnational corporations. Russia's investment expansion probably will produce perceptible economic advantages and strengthen its influence in the nearby foreign countries.

Role of Open Sources in U.S. Intelligence

*944Q0280A Moscow NEZAVISIMAYA GAZETA
in Russian 24 Mar 94 pp 1, 2*

[Article by Sergey Modestov, candidate of military sciences: "American Intelligence Prefers NEZAVISIMAYA: The Use of Open Information Sources"]

[Text] Aside from the so-called human intelligence (Human Source Intelligence—HUMINT), which presupposes work with agents and proxies, the interrogation of defectors, or the questioning of persons who are visiting the country being investigated or who have left it, and also together with an analysis of open sources (Literature Intelligence—LITINT), intelligence information in the American classification is procured with the aid of diverse technical facilities of signals intelligence (Communications Intelligence—COMINT), reconnaissance by electronic means (Electronic Intelligence—ELINT), and space and aerial photography reconnaissance (Imagery Intelligence—IMINT).

When studying the question of the composition of intelligence information it is of fundamental importance to evaluate the correlation of such information procured from agent sources and information obtained with the use of legal possibilities, including notification, official contacts with informed persons, open-source analysis, and the gathering of information by way of personal observation during visits to accessible facilities, exhibitions, parades, exercises, and festivals, thanks to personal participation in conferences and symposia, and with the aid of various technical means of reconnaissance.

According to R. Hillenkoetter, director of U.S. central intelligence in 1948, "80 percent of intelligence information is obtained from such conventional sources as foreign books, journals, and S&T reviews, photographs, the data of commercial analysis, newspapers, and radio broadcasts and also from general information obtained from persons who have an idea of affairs overseas."

Another American specialist in the field of intelligence, W. McGovern, observed: "It is very hard to compute mathematically, but I am inclined to believe that in the process of the preparation of strategic decisions approximately 20 percent of the basic information comes from clandestine sources, approximately 80 percent, from open, legal sources."

This viewpoint accords entirely with the opinion of a number of foreign specialists in the field of intelligence expressed at the end of the 1970's to the effect that 20-25 percent of the information procured by the intelligence community of the United States comes from open foreign sources (newspapers, journals, radio broadcasts, and so forth), 20-25 percent from the reports of employees of official missions of the United States in other states, and approximately 5 percent from unofficial sources, and technical types of reconnaissance account for the rest.

All these estimates are quite a plausible reflection of the possibilities afforded in the processing of open sources. An undoubted authority in the field of the organization of illegal intelligence-information activity, V.I. Ulyanov (Lenin), wrote in this connection: "Legal material is particularly important.... It would be no exaggeration to say that it is still possible on the basis of legal material alone to somehow write a professional brochure, on illegal material alone, it is impossible. Gathering illegal material... it is impossible also acquiring knowledge... which is scattered in a mass in brief newspaper reports and in special industrial, medical, land association, and other publications."

Let us, however, turn to modern examples from the experience of the American special services. Despite the fact that we have always been considered overseas a closed society, in which the free exchange of information is limited, many American specialists in the field of intelligence believed that even under these conditions

"there is a considerable amount of information that may be collected from accessible materials."

Thus in the Soviet period of our history 11 of our most important military journals and newspapers, including KOMMUNIST VOORUZHENNYKH SIL, VOY-ENNO-ISTORICHESKIY ZHURNAL, and VOY-ENNYY VESTNIK, were of the greatest interest to the American military. In addition, specialists of American intelligence would make a close study of a considerable number of less well-known and more specialized periodical publications.

American experts always carefully studied the texts of official speeches of our country's top officials. An analysis of the formal and structural features of these texts made it possible to uncover contradictions in the Soviet leadership.

The polemic that developed in the CPSU Central Committee Politburo in 1969-1974 around the question of the essence of the Soviet military doctrine, in which Politburo members Andropov, Brezhnev, Grechko, Gromyko, and Kulikov found themselves involved, is given as an example. The parties' positions were reconstructed by American researchers by way of a content analysis of the Soviet leaders' public speeches based on material of the newspapers PRAVDA and KRASNAYA ZVEZDA.

Similarly, an analysis of the political information published in the open press of the USSR enabled specialists of the U.S. intelligence community to formulate valid forecasts as to who would fill the position of general secretary of the CPSU Central Committee in the period 1982-1985.

As the well-known American Sovietologist P. Steven (University of Virginia) observed, the policy of perestroika largely contributed to an improvement in the work of specialists on the Soviet Union. "The resolve of the media in the USSR to illustrate problems of interest to us, the broadening of contacts between scientists of our two countries, and the growing readiness of Soviet politicians and officials and also representatives of science to freely and candidly discuss many questions with colleagues from the United States—all this increased considerably the extent and the quality of the information available to us. Specifically, we were able, thanks to the increased quality of information about Soviet society, to evaluate anew the work of former citizens of the USSR and the East European countries, on whom we had depended earlier in obtaining information at first hand, but whose personal partiality was sometimes reflected in the reliability of their information."

The source base of the report CIA SOV S87-10043 "Enterprise-Level Computing in the Soviet Economy," which was published in 1987, was studied for an analysis of the composition and structure of intelligence information pertaining to our country.

Some 347 open sources, including 295 Soviet (85 percent), were used in the course of work on the report. The statistics of quotation by newspaper are given below (see chart 1).



On problems of military policy at the end of the 1980's the most important sources of information were the newspapers Krasnaya Zvezda, which accounts for 75 percent of all references, and Pravda (16 percent) (see chart 2).

The situation changed noticeably at the start of the 1990's. Interest in our open sources (newspapers, particularly) became more diversified. Thus in the works of

American analysts on military-policy topics in 1993 the most quoted Russian newspapers were the publications indicated in chart 3.

The information on the budget of the U.S. intelligence community is sufficiently eloquent also. Spending on intelligence has always been classified, but, employing special research procedures, an approximate level of this spending of \$30-32 billion (some American experts put this amount at \$34 billion) may be established.

A relatively modest amount of these funds is spent on personnel. The funding of procurement activity (mainly with the aid of technical means of reconnaissance) accounts for the main expenditure (approximately 80 percent). It is significant that no more than 3 percent of the intelligence community's budget is spent on agent methods of operation. The remaining resources (approximately 17 percent) are spent on information and analysis, and also on administration, international cooperation, personnel training, and other purposes.

Determining, as a whole, the dependence of intelligence information on the sources of this type or the other (agents, technical means of reconnaissance—TSR—or open information material) would not seem possible. But the greatest volume of intelligence information is compiled, in the opinion of various specialists, from open sources and with the aid of TSR, which is not mutually contradictory, being an intersecting estimate made with approaches differing in terms of their criterion.

Peacekeeping Forces' Size, Cost Tabulated

944K1050B Moscow ARGUMENTY I FAKTY
in Russian No 14, Apr 94 p 2

[Unattributed report: "Blue Helmets' in Figures: Russian Peacekeeping Forces"]

[Text] In the capacity of Russian military observers of the UN there are in the Near East—14 persons (Egypt—6, Israel—6, Syria—1, Lebanon—1), on the Iraq-Kuwait border—15, in the Western Sahara—30, in Cambodia—2, in the former Yugoslavia—22, Mozambique—19, and Rwanda—15. To finance peacekeeping operations on the territory of the former Union, the budget of the Ministry of Defense of the Russian Federation expended more than 2.5 billion rubles [R] (in 1992 prices), and in 1993—about R26 billion. The Ministry of Defense budget for 1994, like the entire federal budget, has not been approved yet.

Prepared with the assistance of the Directorate of Information and the Press of the Ministry of Defense of the Russian Federation.

Place of Deployment	Time of Deployment	Number of Persons for 1994	Killed	Wounded
			from date of deployment (to end of March)	
Former Yugoslavia	April 1992	1,200 + 300 Will Arrive in April	2	15
Dniester Region	August 1992	1,800	16	25
South Ossetia	July 1992	523	2	1
Abkhazia	October 1992	About 1,000	6	15
Tajikistan	Collective Peacekeeping Forces Oct-Nov 1993	201st Motorized Rifle Division	53	77
North Ossetia and Ingushetia	Role of Peacekeeping Forces Fulfilled by Internal Troops of Russian Federation		28	60

Results of IMF Delegation Visit Assessed

944Q0269A Moscow KOMMERSANT-DAILY
in Russian 23 Mar 94 p 3

[Article by Natalya Kalashnikova: "Negotiations Between Russia and the IMF: The IMF Has Not Closed the Door"]

[Text] Yesterday, the last day of the negotiations between the IMF mission headed by executive director Michel Camdessus, was the busiest in terms of the number of meetings. In the morning Mr. Camdessus went to Tsentrobank to see Viktor Gerashchenko: They resumed discussion of the basic provisions of the statement from the Russian Government and Central Bank concerning economic policy for 1994. The director also visited the State Duma, where behind closed doors he discussed with speaker Ivan Rybkin the legislative support for the economic transformations in Russia. Even yesterday during the day, in the judgments of participants in the negotiations, the positions of the parties were fairly far from compromise. And it was not until near 2200 during the course of discussion that Prime Minister Viktor Chernomyrdin and Michel Camdessus seemed to see a light at the end of the tunnel.

The negotiations continued all day in various Moscow offices. But fears that differences regarding the conditions for granting Moscow the second part of the systemic credit of \$1.5 billion would not be surmounted remained right up until evening. The only hope was for the meeting between Mr. Camdessus and Prime Minister Viktor Chernomyrdin, who had returned from Sochi. These negotiations began much later than planned. Tied up in traffic on the Moscow streets, Camdessus did not arrive at the meeting until 2000, and it lasted almost until midnight. Judging from preliminary information—not in vain. As KOMMERSANT-DAILY learned, the parties managed to remove a number of fundamental obstacles and establish in a joint statement the intention of the IMF to grant Russia the second part of the credit for a systemic transformation in the near future.

But the word "impasse" did not leave the lips of the Russian participants in the negotiations during all the subsequent days. The fact is that the IMF had doubts about the feasibility of the draft of the Russian budget

for this year and also the possibility that the State Duma would approve it in this form. It was the 10 percent deficit which, in the opinion of IMF experts, might be increased even more after emotional discussion in parliament, that became the most disputed issue. The IMF had doubts, in particular, about a number of revenue items totalling 20 trillion rubles [R]. Because of these doubts the Fund even on Friday was inclined to put off granting the systemic credit. And although IMF experts admitted that Russia had met one of the main conditions—reducing inflation (to 16-18 percent per month)—Mr. Camdessus again recommended that the Ministry of Finance "reduce inflation and streamline production." Such admonitions are not new. Nor is Camdessus' statement to the effect that the path to raising the standard of living of the Russians lies not through preserving the present model of production but through its growth. And to do this it is necessary to reduce and then stop issuing money to cover the budget deficit. Any financial support for an enterprise, in the opinion of the IMF chief, should depend on its capabilities of making production either produce income or operate with minimum losses.

Even if we keep in mind that Camdessus was only engaging in standard rhetoric, we can still assume that this time the IMF was taking a stricter approach to Russia than, for example, it did last spring. Then, as we know, the government also submitted for the Fund's consideration a program which, in the assessment of Russian experts, was not very different from this one but (this time in the opinion of experts of the IMF itself) fully met the requirements for including Moscow in the program for structural transformation. And in July Russia received the first half of the credit that is the subject of so many disputes in Moscow now. Nor is it out of place to recall the very practice of granting this kind of credit. Kazakhstan was the first to receive it. Now the republic has already been promised an even larger injection—through the standby credit line—and the IMF requirements for this credit are even stricter. And it would be difficult to assume that the course of the reforms in that same Kazakhstan are ahead of the Russian ones. Therefore granting credit to Russia would point to the idea of the existence of a double standard in the IMF.

[First Box, page 3] *The basic scenario for economic and social development of Russia for 1994 (according to information from the Ministry of Economics of Russia):*

- The budget deficit is projected in the range of 10 percent of GNP. The rate of inflation by the end of the year will decrease to 7-9 percent per month. The average annual exchange rate for the ruble is expected to be about R3,000 for \$1.
- The decline of industrial production will slow to 10-12 percent of the 1993 level. The reduction of GNP will be about 8 percent.
- Preferential credit for industry and agriculture will be limited. The system for granting tax and customs benefits, subsidies, and preferences will be revived. Preferential credit will be granted only for carrying out highly effective investment and conversion plans on a competitive basis.
- It is planned to reform state enterprises, to make changes in the practice of privatization, to provide for a selective structural-investment policy, and to implement a program for reconstruction of inefficient enterprises with the removal (bankruptcy) of the least promising ones.
- The growth of consumer prices is projected to be within the range of 4.7-5.2-fold. [end box]

[Second Box, page 3]

Commentary

From a formal standpoint the initially strict position of the IMF executive director is quite logical. So-called credit for purposes of systemic transportation is granted by the Fund as support for countries that are trying to increase the effectiveness of their economies according to principles of a free market and private property. Historically, this support goes back to the times of the postwar partition of the world among competing military blocs and the struggle between the liberal West and the communist system created in the USSR. Therefore international financial organizations are traditionally uneasy about the practice whereby national governments of recipient countries use methods that recall the economic policy of communist parties. In particular, all kinds of state support for inefficient productions (especially those that are state-owned) which leads to growth of the expenditure part of the budget and the lack of a clear anti-inflation policy are regarded as a violation of the fundamental principles of the activity of the IMF. A key role in evaluating the intentions of one government or another is played by the so-called Memorandum of Intentions and an analysis of the financial policy of this government, based primarily on an analysis of its budget practice. In other words the national government must prove to the IMF its resolve to undertake market reforms. All this is fairly difficult for representatives of Russia at the present time.

First of all, until the next special memorandum concerning economic policy or at least an agreement between the government and the Central Bank for the forthcoming year is signed, the situation with the Russian budget is unclear to the IMF. During the process of preparing its draft, in just one week its revenue part increased by almost one-third (from R90 trillion to R120 trillion). The planned budget deficit is approaching 10 percent of GNP, and from statements from the government it is impossible to draw the conclusion that its goal is consistent reduction of it. The prospects for discussion of the budget in the State Duma make Fund specialists suspicious that after this the expenditure part will increase even more.

Nevertheless it seems that the main problem in the current stage of relations between the IMF and the Russian Government is not so much what is to be done next as how it is to be done. It has always been clear to the Fund leadership and international experts that any budget projections, any joint statements in Russia are either not fulfilled or are successfully evaded. But in the past the Russian Government has always demonstrated its desire to "persuade" international financial circles of its firm adherence to strict financial economy. And this is what is required of it now: Swallowing the "national pride of the great Russians," it is necessary to demonstrate this aspiration anew. And the IMF will close its eyes again because international financiers are most afraid of accusations that it is because of their intractability that the West lost Yeltsin.

[Signed] Economic Policy Department

Importers, Regional Officials Protest Import Tariffs

944Q0269B Moscow KOMMERSANT-DAILY
in Russian 23 Mar 94 p 1

[Article by Sergey Klyuchekov and Marat Salimov: "New Customs Duties Evoke Protest: City Leaders and Importers Decided Not To Allow a Price Hike"]

[Text] Russian consumers have been given hope of keeping prices of imported food products at the existing level and importers—of avoiding bankruptcy. The mayors of Moscow and St. Petersburg, the chief of the administration of Yekaterinburg, and the largest Russian importers have spoken out against the introduction of unprecedentedly high import duties that violate the existing system for supplying large cities with food. Yesterday they appealed to the president and prime minister to abolish as "ill-considered and unsubstantiated" the government decree concerning the introduction of new customs duties on foodstuffs.

The mayors of Moscow and St. Petersburg, Yuryi Luzhkov and Anatoliy Sobchak, and also the chief of the administration of Yekaterinburg, Aleksandr Chernetskiy, in an open letter to the president stated that the decision to introduce duties on foodstuffs would inevitably lead to a sharp reduction of import deliveries of

food products and, consequently, to a considerable increase in their prices within the country. The leaders of the three largest cities of Russia think that the goal set with the introduction of customs duties on food shipped into Russia—to protect and support the domestic producer of agricultural products—will not be achieved and instead of that the food market in large cities will decrease to dangerous levels. In the opinion of experts, the government, hiding behind the idea of the need to protect national producers, is deliberately provoking a new wave of inflation that will begin with a sharp increase in prices for imported food, and following inevitably after that will be higher prices for domestic food products as well. Since the level of self-provision of food in Russia has not even reached 90 percent, a reduction of imports could place the largest Russian cities on the brink of famine. Of course, after a certain time interval importers would adapt to the new conditions, but this would be done mainly through their reorientation toward purchasing low-quality goods from less developed countries. In parallel with this, prices of Western European goods, which now dominate on the markets of the large Russian cities, would increase by no less than one-third. In any case the Russian consumers stand to lose.

A similar demand—to abolish import duties on food-stuffs—was submitted to the president and government by the 12 largest importers, including the Eksportkhleb Association, the Menatep Trading House, the Eksimer, Medeya, and Kontinent joint-stock companies, and the Agrointorg VTO [foreign trade association]. The traders are also demanding that their import contracts paid for before 15 March be exempted from the decree. In this case, if the government does not soften its position, large food importers, about whose financial might nobody had any doubts even a week ago, could end up on the verge of bankruptcy.

At the present time the majority of large importers have in hand paid contracts for the delivery of goods not only in March, but up until the end of April. These contracts have been used as a basis for concluding agreements with large buyers. Dissolving them will entail payment of immense fines by import firms. Since all the traders are working using credit resources, delay in paying interest automatically bankrupts them. According to available information, in recent days representatives of importers have been conducting active negotiations with a number of highly placed members of the government in order to achieve a softening of the conditions for the introduction of the new rates. It is quite possible that at Viktor Chernomyrdin's meeting with Boris Yeltsin in Sochi they will also discuss the question of changing import conditions. Here, if one takes into account the broad reaction evoked by the introduction of duties on food, one can quite possibly expect that the president's reaction (and, in concert, that of the government) will be positive.

Gosstandart Chief on Russian Standards, GATT Accession

944Q0288A Moscow *SEGODNYA* in Russian
25 Mar 94 p 9

[Interview with Sergey Bezverkhiy, head of the RF Gosstandart [Russian Federation Committee on Standardization, Metrology and Certification], conducted by correspondent Yuriy Shikhov: "Sergey Bezverkhiy: To Care for the Producer While Protecting the Consumer"]

[Text]

[Begin box material]

Sergey Bezverkhiy was born in 1940. He graduated from the Vocational-Technical School on Mechanization of Agriculture and the Zaporozhskiy Machine Building Institute. He worked at an auto test site near Dmitrovo, having travelled the path from engineer to general director. Since November 1991, he has served as the head of the RF Gosstandart.

[End of box]

[Correspondent] With what, in your opinion, did the Gosstandart of Russia begin?

[Bezverkhiy] Officially, it began in November of 1991 after the signing of the Edict on the Gosstandart of Russia by Boris Yeltsin. However, its roots go back to the Petrine times, when by the order of the Russian emperor the fleet was created, arms production was developed, the deliveries of flax and other products to foreign countries were expanded or, in the words of the poet, the "window to Europe was being cut." Under these conditions, life itself demanded the issuance of edicts by Peter I on establishing standards and requirements for good quality products, including export products, so as not to undermine the prestige of the Russian Empire.

[Correspondent] What do you see as the primary tasks of Gosstandart at the current stage?

[Bezverkhiy] If we try to express the essence of our activity in concentrated form, I would say this: To formulate a standards base for the implementation of economic reforms being undertaken in the country, and to implement a unified state technical policy in the field of standardization, metrology and certification. At the same time, I will emphasize: Our main goal is to help consumers, to protect the population against dangerous products, to support the entrepreneur and to create favorable conditions for goods producers on the entire territory of Russia, stimulating interest in the manufacture of only high quality, competitive products. Standards must open the door to the world market for producers. The Gosstandart of Russia has the capacity for providing specific services to goods producers. Among them are: Information on product requirements in Russia as well as abroad; Aid in performing certification of products under any requirements of standard

documents, including international; Preparation of practical recommendations on improving products not corresponding to current requirements, performed by our qualified experts for enterprises, as well as aid in formulating quality systems which have been tested in world practice.

We have to some degree inherited the structure of the USSR Gosstandart. However, the conception of the approach has principally changed. First of all, this is an orientation toward the international standard, a change-over to its direct application. At the same time, we have introduced the voluntary nature of the standard. Its requirements are mandatory for the producer only from the standpoint of safety of man and the environment. The standards, as I have already said, are international, and therefore if you want to trade only within the country and to make products which are not competitive on the foreign market, then you will consequently get a low price for these products. But if you want to earn currency, then you must fulfill the requirements of the international standard, or no one will take your goods.

[Correspondent] Will the introduction of European standards not leave Russia outside the bounds of trade-economic relations with the countries of the European Union?

[Bezverkhiy] Yes, the European Union is a closed economic group which has its own standards. If we want to cooperate with it on an equal footing, naturally we must raise the level of our standard-technical documents to the international level, and guarantee them if possible. Only in this way will we be able to establish the necessary trade-economic contacts. Since our greatest commodity turnover is with Europe, our producers must primarily be aware of the European standards. Our next step is to create a federal fund of standards of all types and categories, including international (regional) and national standards of foreign countries.

[Correspondent] Has the restructuring within the Gosstandart itself been completed?

[Bezverkhiy] For the present day, the legislative base for work under conditions of a market economy has generally been created. Legislation on consumer rights protection, on standardization, on ensuring the unity of measurements, and on certification of products and services has been adopted at our initiative. Other departments have prepared a number of the laws concerning questions of safety and environmental protection which have been issued, and which also touch upon questions of standardization, certification and metrology. Moreover, we have developed a set of sub-legal documents, as for example principle documents on certification. Altogether during the past two years there have been over 100 standards documents adopted, which create the principles, I would say, of a technical constitution regulating mutual relations of all economic subjects under conditions of a market economy.

But this is only the first part. The second is the reform of the system of Gosstandart itself. On 12 February 1994, the government adopted the decree, "On Organization of Work on Standardization, Provision of Unity of Measurement and Certification of Products and Services." This government statute has exclusively important significance. Basically, it organizationally completes the creation of a state system of control and supervision over correspondence of products to mandatory requirements of state standards and provision of unity of measurements in the country. The principle for our committee and for the regions has become the government decision which states that the local centers of standardization and metrology receive the status of territorial organs of the Gosstandart of Russia. In essence, within their regions they implement the policy of the committee and act as the organ of state executive power, and at the same time as a state institution with the right to manage certain types of work on a contractual basis (noncommercial, nonprofit).

It is no secret that the center of gravity for direct regulation of questions associated with the vital provision and resolution of social problems and the development of market economic relations is today ever more tangibly being shifted to the regions, and is being placed upon the local organs of executive power. This is specifically what determines the need for precisely formulating the basic guidelines of Gosstandart regional technical policy, so as to be able to maximally aid in the socioeconomic development of the regions and to give aid to the local administrative organs in this matter.

[Correspondent] What legal sanctions are provided for violators of the standards and certification regulations?

[Bezverkhiy] The law on protection of consumer rights, the law on standardization, and the laws on metrology and certification provide for rather strict measures of action—ranging from economic sanctions (fines) to criminal prosecution. While recently the manager of an enterprise which manufactured substandard products was fined by the ispolkom [executive committee] commission, in a symbolic manner, we might say, today such directors are given fines of hundreds and even thousands, and the enterprises are fined millions. For example, the A/O "Dartlend" was fined more than 60 million rubles (R). Unfortunately, the entrepreneur still rarely pays. We appealed to the court of arbitration, and they promised to find us methods of collecting this money. I spoke with the chairman of the RF Supreme Arbitration Court, Veniamin Yakovlev, and he supports us. We agreed that in the near future we would appeal to the government or the Duma for adoption of an appropriate legislative statute.

[Correspondent] Is there a real mechanism for realization of the Law on Consumer Rights? Or is it necessary to rely on public control which is implemented by the consumer societies?

[Bezverkhiy] I believe that there is. Goods and services for which there are safety requirements are prohibited from sale without a certificate of compliance. Aside from this law, as I have already said, the Law on Certification of Goods and Services has been adopted, principle documents in this field have been developed, and around 60 orders of certification on types of products have been approved. After all, the certification of a tape recorder involves one set of regulations and standards. The certification of space products has its own requirements. The certification of tobacco goods—in general you do not know how to approach it, because smoking is harmful. In principle, it should be banned, but as long as they smoke, let them smoke tobacco, and not its substitute. Well, and so forth.

For every group of uniform product, the central organs have also approved a certification—a sort of higher level, which defines the ideology and policy. There are 21 of them. They have also ratified a middle level which, specifically, is the one which issues the certificates. There are around 200 of these. I would like to stress: This is not only Gosstandart.

Half is Gosstandart, and half is other organs of state administration and public associations. Around 600 laboratories have been accredited. The essence of certification, the basis of consumer rights protection, is the testing of goods by a third, independent, party to see that they correspond to the standard.

We are often accused of monopolism. Well, 7 percent of these laboratories are within the Gosstandart system, and 93 percent are outside of it. It is important for us that they operate according to unified regulations, which correspond to the international ones, and that they be independent if possible. We do not have a law like they have, for example, in the FRG [Federative Republic of Germany]. There they have fines ranging from 2,000 to 10,000 marks for dishonest entrepreneurial activity. And for violation of testing and falsification or omission of negative results—a jail term of up to 3 years. If we had such a law, the affiliation of the testing laboratory would be unimportant. I hope that we too will come to this.

[Correspondent] Tell us, what are your relations with the state and social structures? Primarily with the State Committee on Anti-Monopoly Policy?

[Bezverkhiy] They are normal business relations, although sometimes there is some friction and an absence of mutual understanding. But this, I believe, is an inevitable thing. For example, the representatives of the committee actively help us in the local areas. Nine supervisory departments—the anti-monopoly committee, the sanitary-epidemiological inspection, the Ministry of Health, our committee, the trade inspection, the MVD [Ministry of Internal Affairs] and other agencies of executive power and departments—have signed a joint appeal to the heads of local administration with a request to create coordinating councils or commissions in the regions, which under the management of one of

the deputy heads of administration would jointly resolve problems on ensuring the rights of consumers to safe and good quality products. Thus, we are delegating our powers and authorities to those organizations which are better informed in their field. This is how it is done throughout the world. However, at the same time we must, we are obligated, to remain monopolists in fulfilling our functions as the national organ of Russia which formulates the tactics and strategy for development of standardization, metrology and certification. It is we who ensure the work of the departments within the framework of mutually coordinated regulations and procedures. We maintain constant contacts with societies for the protection of consumer rights. Their representatives are present, as a rule, at most of our collegium meetings, speaking out with their comments and proposals. We always try to take them into consideration.

We also invite representatives of the Chamber of Commerce and the Congress of Exchanges to our collegium meetings. We have concluded agreements with them. We have delegated them powers and authorities within the framework of the functions which they fulfill.

[Correspondent] In other countries, the financing of standards development is performed primarily by companies interested in these standards. How is it in our country?

[Bezverkhiy] In Russia, for a number of years standards have been developed not by institutes, as was done previously, but by technical committees. There the principle of consensus reigns supreme. The contractor, manufacturer, consumer, and representatives of Gosstandart and societies for the protection of consumer rights have the right to participate in them. However, none of the commercial merchants has invested a single ruble in this endeavor, perhaps because they live by ready-made standards which already exist and which may be used free of charge. Especially since these standards suit them for the present time. However, since the state does not finance such technical committees, we have found ourselves in an unenviable position. Let me cite an example. The president of a certain firm came to me and asked for an international certificate: I want to supply oil and oil refining products abroad, he says. He has mastered one thing well: Without a certificate, the price on his product immediately drops by 30-50 percent. I tell him that in principle it is possible to obtain such a certificate. For this we have accredited laboratories and developed procedures. The trouble is that 35 of our standards on oil and petroleum products still do not correspond to the international standards. Thus, in order to issue a certificate to the businessman, Gosstandart would have to revise our standards, which would require around R350 million. Where can we get this money? The entrepreneurs do not give it to us. The Minister of Finance also does not give it. Imagine how many years we would spend revising all 25,000 standards which are in effect today in Russia and the CIS countries if the merchants do not get involved in this work?

[Correspondent] What is the premium for quality?

[Bezverkhiy] In the USA, Japan and a number of other industrially developed countries, premiums for quality are very popular. They are given the names of outstanding people and, as a rule, they are awarded at a very high level, including the presidential. A country cannot have unconditional international recognition if it has not attained world standards in the quality of its goods. You yourselves know: If it is Japanese, that means it is good. After all, there is neither oil, nor cotton, nor other resources in the Land of the Rising Sun... So the Japanese have decided to make product quality the main priority in their work. This has become the national task, a matter of national prestige for every Japanese.

In our country there have also been premiums for achievement of high technical-economic product indicators at various times. But, unfortunately, they enjoyed neither particular popularity nor authority. Well, and recently quality has generally faded into the background. However, we will not be able to make our ruble convertible if we do not manufacture products which are able to compete on the foreign market and which are capable of bringing us hard currency. I am convinced that the time is not far off when quality will become the national task and national prestige in Russia as well. As soon as the political passions subside more or less, Gosstandart will submit for the president's signature an edict on introducing a Russian premium on quality. Its distinguishing peculiarity will be the absence of monetary remuneration. It will be awarded each year in the name of the president. Goods producers who are laureates of this prize will receive tax benefits or the right to free advertising. It is true, the very fact of presentation of such a prize is already an advertisement. I believe this should motivate our producers to fight for this prize.

[Correspondent] What is your attitude toward the elimination of barriers in international trade?

[Bezverkhiy] The press has repeatedly announced Russia's intention to join in the General Agreement on Tariffs and Trade (GATT). If we join in it, then we will be forced to bring all of our national standards—and, as I have already mentioned, for the present day there are 25,000 of them—into line with international practice.

As for the former USSR republics, Gosstandart has concluded an interstate agreement with them, stating that "we will live according to unified standards." An interstate council has been created, and not only the CIS countries will participate in its work. A representative

from Lithuania is always present at its meetings. Moreover, bilateral agreements have been signed with practically all the former republics, specifically on the mutual recognition of the certificate of compliance, so as to exclude expensive retesting. If we perform testing of a "KamaAZ" and supply it to Belorussia, they will recognize our certificates in that country. This also constitutes the elimination of technical barriers in trade.

In general, I must say, the elimination of barriers is a clever thing: In words, everyone is 'in favor' of it. Yet in fact, the EEC [European Economic Community], as I have already noted, is in practice a closed grouping of countries. In essence, normal access to this market is closed to any of our producers until we join in the EEC and until we harmonize our standards with the European ones. We also have our difficulties with GATT. Contrivances and tricks are being devised within its framework in order to support the industry of the member states of this organization and not to allow competitors.

Of course, we are interested in removing the technical barriers in trade for our goods producers. For this purpose, the committee actively works within international organizations on a bilateral basis. Treaties have been concluded with England, Israel, Japan, and South Korea. I would like to stress that we have come to agreement on the mutual recognition of certificates. Please, let us perform mutual accreditation of testing laboratories. You may control them and perform inspection control. However, our relations must be on an equal basis.

The ideal variant is large international agreements such as the Geneva Agreement on Automobile Technology. Its participants are practically all the countries of Europe, including Russia. Our certificates on automotive technology are recognized in all the European countries. If we issue the symbol E-22 to a car, then it is recognized as an international certificate in any country in Europe and the world. The same is true also in the production of firearms and munitions. Here the Brussels Convention is in effect, and we are completing arrangements for joining in it.

You probably know that a treaty on partnership and cooperation between Russia and the European Union is to be signed in the near future. One of the articles of this treaty, prepared with the direct participation of Gosstandart, provides for measures directed at increasing the compatibility of systems of standardization and metrology and evaluating the level of compliance and consumer protection of the agreeing parties. Recently we held successful negotiations with our colleagues from the European Commission, at which we reviewed in detail the systems of mandatory certification. In my opinion, one more practical step has been taken in expanding the spheres of trust between Russia and Europe.

KAZAKHSTAN

Nazarbayev Urges Faster Economic Reform

944K1058A Almaty SOVETY KAZAKHSTANA
in Russian 7 Apr 94 p 1

[KAZTAG report: "To Sharply Accelerate Economic Reform"]

[Text] President Nursultan Nazarbayev held a conference on the issues of speeding up the implementation of economic reform in the republic. Among the participants were Vice President Erik Asanbayev, deputy prime ministers, state advisers and other members of the government, top officials from the National Bank and the National Academy of Sciences, and high-ranking staff of the president's and the Cabinet of Ministers' apparatus.

In his address at the conference, Nursultan Nazarbayev emphasized the urgent need to accelerate the corrections to the government's program of action in reforming the economy, as well as improving the organization of this work and corresponding mechanisms.

Since the time of introducing the national currency, the heads of state and the government have issued more than 200 edicts, decrees, and directives of a normative-prescriptive nature on the matters of development and intensification of economic reform. Thereby a number of serious problems of a legislative nature have been resolved, and the normative base considerably updated.

However, noted the president, a system approach and purposefulness are still lacking in the implementation of the entire complex of envisaged measures; there is insufficient coordination in the activities of ministries and government apparatus offices in the preparation of normative-prescriptive documents and the organization of their implementation in practice. There are also disjointed actions between the National Bank and the Cabinet of Ministers in conducting a single strict financial-credit policy. Nor has the principal task of creating within the framework of the government and its structures an effective executive mechanism been resolved.

As a result, the process—from the moment documents are adopted to the point of their practical implementation—is stretched out impermissibly long and most normative acts are left hanging in midair. Moreover, some of them are consciously sabotaged. This is especially typical of those acts that involve changes in the administrative structure in industrial sectors. Operational decisions and measures adopted by ministries and the National Bank often are not correlated with one another or they contradict the program line.

For the purpose of streamlining this work, as well as preparing the Program of Anticrisis Measures and Economic Stabilization for 1994-1995, a republic commission was set up by the president's decree in January of this year. However, it still has not completed the draft of this important document and incorporated in it existing

alternative proposals, in which there also are healthy kernels. Such procrastination is unacceptable, and it is not accidental that it causes resentment among the economic public and in the mass media. The commission should finally determine, urgently and clearly, which parts of alternative programs may be used for the benefit of the business at hand, and what should be discarded for the lack of constructive contents, and make the results public, thus putting an end to idle talk.

Unenviable fate also befell the latest plan of government actions—for the implementation of economic policy in 1994. The control functions had been assigned to the Ministry of the Economy, which itself is not succeeding in the execution of this document. In addition, some ministries, bypassing the Ministry of the Economy, petition the government to move the time frame for the implementation of one or another part, or revise them. This cannot go on any longer, said Nursultan Nazarbayev.

In connection with the current situation, he brought up a number of cardinal proposals aimed at accelerating development of a program to intensify the reform.

The main emphasis, in the president's opinion, should be placed on increasing authority and dramatically improving the activities of executive power structures and state organs of administration. The measures necessary for this have been outlined; they are to be conducted within several areas.

The first is the legal base for the reform. The normative base with respect to main economic spheres and direction of the reform, created by the president's and government's decisions since the introduction of the national currency, should be systematically organized and evaluated: in which parts such a base is sufficient, and where additional development of normative acts is needed.

The next area is effective use of aid provided by the world community. All channels of financial aid from international organizations and foreign countries going through the government need to be merged within directions, economic sectors, and the republic's social sphere. It is also important to work out the main principles and mechanisms of its utilization, including program support, state structures and other institutions responsible for project implementation, and the use and repayment of credits and loans received for such use.

Next: development of individual spheres of domestic economic policy. In this area it is necessary to fully evaluate the real structural transformations that have been accomplished in the national economy. Large-scale projects of national significance and ones that are ready for implementation need to be selected, and the measures of support in corresponding decisions be drafted. It is also necessary to define economic spheres and sectors that will be developing along the lines of separate programs—entrepreneurship, insurance operations, defense

and other complexes—and set strict deadlines, as well as designate those responsible for the preparation of real programs.

Among other subjects mentioned were the expedience of drafting five-year plans by indicators, beginning with 1995; further support for privatization processes and holding structures, giving them greater freedom of action; facilitating development of consumer goods production; increasing the volume of processing of agricultural products; reorganizing the work of the state statistics system, which in many respects still operates in the old mode; and other current problems.

The decisive factor in achieving the goals set is good organization of the work of state organs and the entire executive apparatus. This means that distribution of powers and functions between ministries and other government organs must be analyzed and revised, and as a result the responsibility for implementation of a specific area of economic policy clearly assigned to each. It appears that in this respect it will be necessary to eliminate the still-existing duplication of effort, which will require structural changes with sensible staff reductions.

Among those who participated in the subsequent exchange of opinions were First Deputy Prime Minister Akezhan Kazhegeldin, Deputy Prime Minister Zhanybek Karibzhanov, and the State Anti-Trust Policy Committee Chairman Petr Svoiikh. Deputy Prime Minister Sergey Kulagin reported on the progress of preparation for the spring sowing campaign.

It has been decided to complete preparation for the program for activation of implementation of the economic reform within a compressed time frame and to discuss it immediately afterwards. The president also intends to consider in the nearest future the issues associated with denationalization and privatization, adjustments to the program of social protection of the population, housing policy, and intensification of suppression of crime.

President Explains Caspian Oil Company

944K0969A *Almaty EKSPRESS-K* in Russian 24, 25 Mar 94

[Two-part interview with Baltabek Kuandykov, deputy minister of power and fuel resources of the Republic of Kazakhstan and president of the state-owned company Kazakhstankaspiyshelf, by Khaliolla Baymen, in Almaty; date not given: "We Are Starting in the Caspian Not With the Sinking of Wells but With Ecological Research"]

[24 Mar p 3]

[Text] [Baymen] Baltabek Mukhanovich, the news media have reported repeatedly the formation of the state-owned company Kazakhstankaspiyshelf and the creation of an international consortium to study and

develop the Kazakhstani shelf of the Caspian. Please describe the significance of this new project for Kazakhstan's economy and its immediate prospects.

[Kuandykov] Kazakhstan is, as everyone knows, quite rich in natural raw material resources, including oil and gas. We have for the past several years running produced 26-28 million tonnes of oil and 7-8 billion cubic meters of gas annually. But, in practice, the bulk of the hydrocarbons is recovered from old oil and gas fields, and for this reason the level of this recovery has been in a state of stagnation, as it were. And however much we would wish it, we cannot observe any movement in the direction of an increase, which is so essential for the needs of the republic, although the potential raw material reserves are quite substantial, which is recognized not only by Kazakhstan but also foreign specialists.

However, as far as the recently discovered major fields of West Kazakhstan at Tengiz and Karashyanak are concerned, they are not yet being opened up at full strength because of the absence in the republic of the corresponding modern technology and the present economic difficulties. Joint ventures with foreign firms are being formed on the basis of these raw material giants today (more precisely, one already exists at Tengiz, and one is being formed at Karashyanak) to accelerate the development of these fields and to obtain a palpable overall increase in the production of oil and gas in the republic.

One of the biggest facilities, which could not only provide the republic with an immense influx of hydrocarbons but also appreciably influence the progress of the economic reforms of the young independent state, is the territory of Kazakhstan's sector of the Caspian.

As individual results obtained earlier by Russian and Azerbaijani geological and geophysical enterprises show and which are indicated by general geological premises also, this territory has colossal forecast reserves of raw material. According to specialists' estimates, there is a high probability of the discovery of a deposit far in excess, say, of the unique Tengiz field. But it has to be said that until recently Kazakhstan has not operated under offshore conditions, unfortunately. Today the republic lacks modern equipment and trained specialists and the so necessary skills and experience of offshore exploration.

Following a thorough consideration of this problem, the Kazakhstan Government decided to form the Kazakhstankaspiyshelf specialized state-owned company, which was entrusted with a comprehensive study of the prospects of the territory of the Kazakhstani sector of the Caspian and determination of the paths for the optimum assimilation of the underwater storehouses.

Considering the lack of technology and the experience of work under offshore conditions, from the first day of our activity we began to assimilate the experience of similar territories. The North Sea, the China Sea, the Gulf of Mexico, areas of the Adriatic, and other similar bodies of water, for example. Then we embarked on the creation of

a republic concept for the assimilation of offshore deposits. The main essence of the concept, of course, amounted to the attraction of foreign investments since we could not cope with such a scale of operations with our own resources. The conditions for attracting Western oil companies were prepared, and all our proposals were presented to the most important international companies with the corresponding experience and unprecedented world authority under conditions appropriate to the Caspian. Thanks to the organization of lengthy and scrupulous negotiations we rested our choice by way of tender on six companies—the Italian Agip and British Petroleum, which is acting as one entity in conjunction with the Norwegian Statoil company, and also British Gas, the American Mobil, the Dutch Shell, and the French Total. Then, on 9 June of last year, a preliminary agreement on the basic principles of our relations and interaction was signed with representatives of the above companies, and a final agreement on the creation of an international consortium of the oil companies for the realization of a comprehensive program for study and development of the Kazakhstani body of the sea was signed on 3 December 1993. The said dates were historic for us in a way, incidentally, and we hope that they will be the start for a new history of the offshore oil and gas industry of Kazakhstan.

[Baymen] Overseas representatives are calling the preliminary plan for the geological and geophysical study of and development of the deposits one of the biggest in the world. What are the reserves of hydrocarbon raw material and what are the particular features of the impending efforts?

[Kuandykov] According to experts' estimates, the Caspian region is, as I have already said, unique, and the plan for future development is rightly considered one of the most important in the world. Of course, the results will be revealed by the time that the drilling and the recovery of the oil and gas begin. Such preliminary estimates are conditioned not only by the big anticipated reserves of hydrocarbons, but also by the particular ecological conditions connected with the expected difficult technical conditions of the sinking of deep wells and the assimilation of deposits with a particular concentration of hydrogen sulfide, high formation pressures, and a number of recent engineering solutions.

Concerning natural gas reserves: According to the most modest estimates of both local and Western specialists who have made a study of areas of the sea, about 3.5 billion tonnes of oil and about 2.5 trillion cubic meters of gas are anticipated in the Kazakhstani sector. Very large reserves. I am citing relatively modest forecasts so far. There are, of course, bolder assumptions also, but these will be shown by exploration.

[Baymen] The problem of the environment has become increasingly urgent as of late. The Caspian also has been in far from the best position in this respect, and many

people are today, therefore, anxiously asking: Is it possible to guarantee a safe and most assiduous method for the recovery of the expensive industrial raw material?

[Kuandykov] I would like to say that many questions arise in connection with the particular ecological conditions because the Caspian is a closed body of water and is not the Mediterranean or, say, the Gulf of Mexico. Both the water exchange and the marine flora and fauna and living organisms differ from other seas also. The northern part of the sea was formerly, in 1974, declared a protected zone for the preservation of all that there is here—the animal and vegetable world—and the surrounding environment—the air and water—for future generations. All drilling operations, the recovery of mineral resources, large nautical transport systems, construction operations at sea, and so forth were banned. But life, as they say, does not stand still, and our present project is distinguished by the fact that, having adopted all world experience of work under approximate conditions, we are making of paramount importance the resolution of ecological problems. Our future efforts must not cause the least damage to the existing natural balance of this region. After all, very valuable species of fish have their habitat here, as you know: The northern Caspian accounts for approximately 90 percent of the world's sturgeon catch and the production of black caviar. There are many species of animals that have been entered in the Red Book, and this is also a migration route for many rare birds. Considering all this, we are embedding in the plan of upcoming operations the strictest demands, in accordance with the highest international standards.

[Baymen] The state of the sea and the land are giving rise to certain apprehensions even today, when no operations have even yet begun.

[Kuandykov] The state of the sea today is far from the best, unfortunately. The catch level is falling by the year, fish stocks are melting away before our eyes, it may be said, and the content of harmful elements in the water is increasing catastrophically. We have analyses performed by various institutes and organizations of the composition of the Volga water and the water from the Ural (Zhayk) River. Global changes in the composition of the sea water because of technogenic human influences, the construction of a multitude of dams on the Volga, the use of various chemicals in agriculture, coastal operations, and so forth, are occurring even here, evidently. All this could not fail to influence the overall state of the body of water.

In addition, since about 1978 the Caspian has been rising, and at the present time the level of the rise is the almost the equivalent of more than two meters. This means tremendous changes for the sea; the former littoral deposits, agricultural land, and communities are being flooded. The catastrophic influences of the risen sea waters on the coastal areas, particularly in the northern part where the shore is very flat and each

change in the weather and strong wind are palpably reflected in the water level, have been frequent phenomena lately.

On the whole, therefore, I believe that even were we to perform no offshore operations, the state of the Caspian would deteriorate by the year. And this process could be quite rapid: The overall changes in the composition of the water and the general rise in the level of pollution in connection with the inundation of new littoral territories and individual riparian oil wells are being superimposed on top of one another. Everyone, I mean the inhabitants of those regions, knows about this, research organizations and our government authorities know about this. And if we are today speaking about saving the Aral, I would say that the problem of preservation of the Caspian is no less serious today. But not in the sense of sitting and doing nothing and admitting no one to the sea but taking today even some specific action to improve the situation. Unfortunately, it has to be affirmed that no particular attention is being paid to this with us, nor is there the money.

[Baymen] Consequently, we need to take a somewhat broader view of the problem and pose the question not only of pollution of what is already quite a polluted body of water from the upcoming large-scale operations but of measures specified in an agreement to improve its present state?

[Kuandykov] Yes, this is the task we set ourselves. Our actions will be geared to assisting the utmost improvement. How might this be achieved? First and foremost, we will employ the most modern methods of work. We are planning to build various facilities, for the production of young fish—fish hatcheries—say, and will participate in cleaning up the polluted sectors of the sea, that is, the ecological state of the sea will be monitored constantly. And I would like to repeat yet again that it is these problems which will be given priority. The project itself—which begins with ecological research, and the rest of the work will begin only upon the completion of this first ecological stage—is confirmation of this. If the stage shows that it is possible to work with the use of the best world experience, we will do so, if, however, the results are negative, the question of the impossibility of development will truly arise.

Incidentally, our approach in terms of this plan is somewhat different from the approaches in other parts of the world: we intend, thanks to foreign investments, to initially perform research work and not to begin, as some people believe, with the immediate sinking of wells, but taking account of all the special conditions of the vulnerable region. Upon the completion of this work, all the negative consequences being reduced to nothing, geological and geophysical research is to begin, permitting the study of the geological structure and the tectonics of highland allotments, clarification of the available forecast reserves, and determination of the most interesting and promising zones. Only then can we speak of the allocation on the territory to be developed of packages of

future drilling operations and future production areas. All the participants in the international consortium will cooperate on these terms, and after the research part has been completed, they will obtain packages and the exclusive right to perform production and drilling operations to compensate for their outlays invested at the initial stage. In the event of the discovery of an oil or gas field in their packages, they will compensate their outlays, and in the event of failure, that is, nondiscovery, their outlays shall not be compensated.

All six firms that I have named are among the world's top 10-20 oil companies. They have their own character, their own tremendous experience, and unsurpassed equipment and techniques for such operations, and this is why we chose them. The drilling operations scheduled for subsequent years will not appreciably influence the environment, or this influence should not be that perceptible. At the same time, all that is produced in the waters of the Caspian and the entire recovery of hydrocarbon raw material will afford Kazakhstan big economic benefits.

[25 Mar p 3]

[Baymen] The Caspian region is rightly considered oilmen's territory; several generations of specialists have grown up over many decades, there are whole family dynasties, even, and tremendous experience of the working of deposits has been accumulated, and there are at the same time virtually no operators skilled in offshore development....

[Kuandykov] The training of local personnel is a principal section of the agreement. Yes, marine geologists, geophysicists, environmental experts, drillers, extractors, and other specialists are lacking in Kazakhstan today. We are planning to train them with the facilities of the best Western technology. I would like to emphasize: to train local personnel, for which the future project is essentially being put together. This in itself will entail substantial capital investments also.

The next important aspect is the provision of local enterprises with modern equipment, that is, at our demand Western firms are required to equip the local geophysical organizations the way they themselves have them equipped. They will have to pass on their know-how to Kazakhstani organizations. In addition, large sums will be allocated for the formation of the social infrastructure and also for the infrastructure necessary for performance of the planned operations: the installation of depots, machine shops, warehouse premises, moorings for the ships, and such facilities as, say, desalination units for turning the sea water into drinking water and industrial water for the needs of the public and the work of the consortium. We intend to build helicopter pads to serve both Western and local specialists, and fish hatcheries, and we believe that we will be benefiting the development of cities' water and sewerage systems. We will also take part in other social programs, of which the region is greatly in need. I cannot today,

unfortunately, give you the figures which are contained in the plan, since they are still in the modification phase, but it can be said even now that quite large sums for an improvement in the condition of the region are contemplated. It should be added that it is not only the oil sector that will be developed. The republic will require with the performance of the offshore work the development of all the attendant sectors, such as iron and steel, enterprises for the construction of offshore installations, electronics industry, agriculture, medicine, and so forth. In a word, the entire gamut of interrelated sectors will be developed.

[Baymen] This is why the project is considered one of the world's biggest, evidently?

[Kuandykov] Primarily because, according to estimates of certain specialists, and this is what we believe also, tens of billions of dollars of investments will be required for the development of the deposits in the bed of the Caspian. These immense resources will be invested on the territory of Kazakhstan. And, naturally, the people who live in the Caspian region will receive their corresponding share and will, consequently, acquire the possibility of accelerated development. We do not intend to reconcile ourselves to the way in which we have lived hitherto, when oil has been produced on this territory for 80 years, and our people and our fathers are still living in huts. We have no desire to organize our work like this. New technology, a new social atmosphere, and new facilities will come, and we want herewith to raise the culture of production and society's living standard.

[Baymen] A commonly held opinion is that big oil means big politics.... Kazakhstan is becoming a pioneer in the field of international contracts and a kind of example for the former Union republics. How is this fact being reflected in its political image, and are not disagreements arising among Caspian states over the division of spheres of influence and determination of the water boundaries? What have the recent interstate meetings in this connection done in this sense?

[Kuandykov] There are various kinds of talk and various opinions surrounding the Caspian at this time. For instance, there was a conference last fall of representatives of states of the former Union in Astrakhan. I took part also. It was the first attempt to solve contentious and problematical questions concerning the future of the Caspian. Questions pertaining to development of the sea's mineral resources, what the division of territories would be, what the movement of sea-going ships would be, how the fish industry would develop, and so forth, were raised. Questions of the environment, specifically, how the states, which are now independent, intended to pursue a common environmental protection policy, were examined.

Without expatiating on all the problems, it may be said that on the question of the development of mineral resources a positive solution was reached. The parties agreed on the principles of the division of the states'

economic zones. They are in keeping with world standards and world experience (the experience of the Black Sea, the North Sea, the Adriatic, and other water basins, say). That is, an agreement providing for the division of economic zones along the sea bed and the depths of the Caspian along the median between opposite shores and opposite states was reached. This document has now been prepared by the Kazakhstan side and has been sent to all the Caspian states. I believe that we will sign such an agreement in the near future. This is just one aspect, and negotiations are currently under way between fishermen and environmentalists and between military personnel where there are military interests.

I believe that we will come to an agreement on the Caspian with Russia, Azerbaijan, and Turkmenia [Turkmenistan] and will try to make joint use of the current production bases and human resources for the assimilation of the riches of this region. It may be stated candidly that there is no insoluble global problem among these states in respect to this territory.

[Baymen] And the final question. The republic still has no law on oil and, particularly, offshore research, as a consequence of which certain difficulties in cooperation with our Western partners will, most likely, arise.

[Kuandykov] A draft law on oil was prepared long since and has been discussed repeatedly in various committees and commissions of the republic Supreme Council and in the ministries. The draft was prepared by Kazakhstani specialists in conjunction with foreign experts. And we believe that it corresponds to all international standards. It contains sound opportunities for foreign investments in the economy of Kazakhstan. Unfortunately, this law was passed on from one session to another, and the previous parliament ultimately did not have time to adopt it. And it was passed on not because it was bad, it is simply that there are certain forces which do not welcome it—for far from objective reasons. International expert evaluation also took a long time. I hope that we will ultimately approve such a law and that it will perform a positive role not only for the republic but also for all who wish to work with us.

Nazarbayev Adviser on National Issues
944K0981A Moscow ARGUMENTY I FAKTY
in Russian No 13, Mar 94 p 6

[Interview with Alex Moskovich, adviser of President N. Nazarbayev, by Dmitriy Makarov and Andrey Knyazev; place and date not given: "Adviser of Leaders"]

[Text] Alex Moskovich is an old and good friend of our paper, and interviews with him, formerly a member of the French Parliament and honorary citizen of Paris, have been published in ARGUMENTY I FAKTY repeatedly. Following the lifting of the "iron curtain," he has visited Russia often and has lived here. He feels the problems of one-sixth of the world as his own. But his experience of life and politics as the "confidant" and first adviser of the legendary French president de Gaulle has gone unclaimed

by Russian politicians. In Kazakhstan, on the other hand, his experience is considered useful. A. Moskovich is now an adviser of President N. Nazarbayev.

[ARGUMENTY I FAKTY] You are Nazarbayev's adviser on economic and political matters. Does he really listen to you?

[Moskovich] We have a tacit understanding, as it were: he reads what I write him just about daily and does what he wishes. I, regardless of whether it is pleasant for him or not, express my opinions. Then we sit down and begin to look into my suggestions point by point. Nazarbayev says what he agrees with, what he rejects.

An ability to listen and hear is very important for a statesman.

[ARGUMENTY I FAKTY] Nazarbayev is currently being accused of serious blunders—the republic's economy is in a difficult position, and the situation concerning the Russian-speaking population, in North Kazakhstan particularly, is very complex.

[Moskovich] First, a law on Russian as the language of interethnic communication has been adopted in Kazakhstan. Second, Nazarbayev realizes that the republics of the former USSR will not on their own climb out of the morass in which they have all found themselves. The price of the ruble can only be maintained by expanding the production sphere, increasing the national product, and seeking to ensure that the state become richer. Unless the state becomes richer, its citizens become poorer. Everything is interconnected.

[ARGUMENTY I FAKTY] Prior to the disintegration of the USSR, only four republics—Russia, Turkmenistan, Azerbaijan, and Lithuania—seemingly had a surplus balance in interrepublic trade. When Russia said: That's enough, brothers, let's live each for himself, all republics quickly introduced their own currencies. They, consequently, had been preparing for this in advance. Hence they knew or anticipated that the disintegration would occur....

[Moskovich] They did not so much know as fear that Russia would kick them out of the ruble zone. It was fear that prompted these decisions.

[ARGUMENTY I FAKTY] Sometimes states, like people also, probably, need to live apart in order to evaluate their partner and ponder and weigh up whether we need one another.

[Moskovich] I cannot agree. Strong and powerful countries with their own culture, literature, and science—Britain, France, Spain, Germany—are uniting, we are parting—this is a paradox. If we are speaking of Kazakhstan, however, it was impossible for Russia to separate from it. There are a multitude of reasons for this. The main ones are the immense resources that were invested in the development of Kazakhstan's industry by the former Union, the common economic interests, following the severance of which Russia and Kazakhstan

have found themselves in a difficult economic position, and, finally, the existence of natural resources, which can only be developed by everyone together. An independent republic separately lacks the powers for this, unless "uncles" from the West help, and not, understandably, for a pair of beautiful eyes.

There are other factors also. And it is only the restraint and deliberateness of the decisions adopted by Nazarbayev that have thus far kept the republic from a rapid fall. Were it to fall, however, it would pull Russia with it also—they are that closely bound together.

[ARGUMENTY I FAKTY] Some political scientists and economists are comparing Kazakhstan and China, economically, at least. Fundamental economic changes have occurred in the PRC in the past 10-15 years, and people have become richer. But there has been virtually no increase in democracy.

[Moskovich] In my view, the Chinese are right to be doing all that they can to ensure that each citizen in a country of more than 1 billion reach the plank of life of \$2,000 a year. Why should every Chinese have to get into politics? Do you think that in civilized states, which consider themselves democratic, any janitor, even if he has the wisdom of Solomon, would be admitted to administration of the state? No, an oligarchy rules there, and democracy is a myth. I have yet to encounter real democracy in a single country. So Kazakhstan could learn some things from China in this respect. Why did Russia and Kazakhstan, all the former republics of the USSR, which were under conditions of postwar devastation identical to France, not achieve what France was able to achieve? There was no NEP [New Economic Plan]! In the middle and at the end of the 1980's the economy was generally on course, but glasnost became license. Until everyone understands that everything starts with the economy, there will be no "miracle"! Progress means man compelling a machine to work, and himself working less. Initially, 16 hours a day, then, 9, and then, 6. He has time for the theater, the movies, books.

[ARGUMENTY I FAKTY] What if people do not know what to do with their free time?

[Moskovich] If he wants to realize his capabilities, this problem does not arise. I became wealthy long ago and need not have worked for 30 years now, but I continue to work, even at the age of 82. And it is not even a question of money. Money is a means for achieving an end, not the end in itself.

[ARGUMENTY I FAKTY] For many people it is the end as well. In Moscow there are many people who stand in line to purchase a sable coat, others are forced to run around the stores in search of cheap food.

[Moskovich] However the economy might develop and however huge the size of the middle class, there will always be people living below the poverty line. And it will be this way until the world achieves over-abundance.

Then we may give to everyone according to their requirements. And lines at stores for the wealthy are excellent proof that there are coming to be more prosperous people in the state. And it is important, in addition, to be lucky. Both for people and for countries. One ancient Russian chronicle said: "Our land is great and abundant, but it lacks order." Order needs to be established. Nazarbayev will do this, I believe.

[ARGUMENTY I FAKTY] Where? In what country? Russia, France, Kazakhstan? And, in general, of what state do you feel yourself to be a citizen?

[Moskovich] When the French inadequately defend the policy of France, this in itself is abnormal. A true man may love many women, but properly only two: his mother and his mistress. His mother, whom he forgives everything, and his mistress, whom he forgives nothing. So it is that I forgive the Soviet Union, now, Russia, everything, and I forgive France nothing. I love Russia very much. For me Russia runs from the White Sea to the Bosphorus. These are the geographical borders which were ordained for it... by whom I do not know because I do not believe in God.

UZBEKISTAN

Fourth ERK Congress Reviewed

944K0934A Moscow ERK in Uzbek 16 Jan 94 p 4,5

[Article by Namoz Normumin, secretary of the ERK DP Council in Surkhondaryo Oblast: "The Fourth ERK Congress"]

[Text]

I.

A basic condition for the functioning of political parties is freedom of speech and the press. These play a basic role in linking party administrative organs and party members through mass information. Beginning in 1993 the ERK Party was forbidden from publishing its own newspaper. The party chairman and other members of the leadership operated under pressure and persecution. Despite this the ERK Democratic Party was able to communicate its own position to the Uzbek people through the foreign press, and in this way attempted to preserve the connection between the party leadership and party members.

The 4th Congress of the ERK Democratic Party took place under difficult conditions for the party. The appeal to the government made at the 16 May 1993 meeting of the party central council remained unanswered. This demonstrated once again that no compromise is possible between the government and the opposition.

It must be said that the difficult conditions for the party caused a state of depression among some party members. Their lack of will and weakened beliefs caused a deviation from the basic principles stated in the party statutes

and led them to seek a way of uniting with the present government which is attempting to maintain the old order. I want to dwell on this question in detail: the government, making use of the political inconsistency of the likes of Shodi Karimov and Sodiqjon Yigitaliyev, is acting to blacken the reputation of the ERK party and give it a bad name among the people. The persons mentioned above have accused ERK of an unwillingness to compromise. Fine, in what way could there be compromise between the government and the opposition? Specifically, what are the conditions for compromise between the ERK Democratic Party and the present government?

For a compromise to be reached between the government and the opposition their codes in the sectors of politics, economics, and social issues would be in conformity and the government has to consider the opposition code as a variant of its own code. This is a normal situation in democratic countries.

As for our critics, they are ultimately thinking of compromise in a primitive manner and see compromise in the form of personal interest. For example, it was suggested by the president that Muhammad Solih, chairman of the ERK Democratic Party, be given high rank. The entrance of an opposition leader into the government—if it were possible to accommodate the code of the opposition—would make it possible to excuse him. On the other hand, it is possible that an opposition leader entering the government would be turned into one of today's shadow cadres. Muhammad Solih did not accept the "high rank" because he does not accept the government's policy of arbitrary action and terror.

As for Sh. Karimov and S. Yigitaliyev, they have begun to follow a path of rapprochement with the government. Undoubtedly, their personal interests have caused this. Had Muhammad Solih left the party ranks and they themselves became the leaders, they would have accepted the "high rank" because, unlike Muhammad Solih, they would not have the courage to reject rank for belief. The historian Sh. Karimov must have planned entering history this way all of a sudden.

I have sound reasons for saying this. Events I witnessed personally before and after the Congress can prove it..

II.

It was the beginning of September 1993. I was called to the office of the chief physician; he said that presidential advisor Mavlon Umrzakov was coming to Termez and said he wanted to meet with me. I went to the offices of the viloyat administration at the appointed time. Professor Sh. Karimov was waiting for me here. He said "we came with Mavlon Umrzakov," and stressed the word "Umrzakov." We went into a separate room and conversed. Sh. Karimov talked about the situation which had manifested itself in the party, and began to heap all the party's sins on Muhammad Solih. "We have to massage the president and the governors, and act on our own policy," said Sh. Karimov. "We have to examine

this issue at the party congress and reelect the leadership." I understood Sh. Karimov's goal but kept my own council. If I had protested to him or expressed my ideas openly, it would have become known to those in this government and endangered my participation in the congress... "The congress will resolve everything," I said to Sh. Karimov. Our talk did not last long "Mavlon has to hold a meeting," said Karimov. "Let us go and join them..."

We went outside and ran into one of the viloyat leaders. "We can talk about everything with Namoz," said Sh. Karimov. "If God wishes, our congress will go well." I was surprised at this talk because the date of the congress had still not been announced. Above all, what was the connection of the viloyat head with our congress?

We went with Sh. Karimov to the reception room of the viloyat governor's office where he had to meet with M. Umrzokov. We sat down in the room. Whenever we heard a voice, Sh. Karimov rushed outside. He would come back in and say "Mavlon still has not arrived." This happened a number of times. Finally, they said that M. Umrzokov had arrived. I kept sitting in my place. As for Sh. Karimov, he said "I am ready" and hurried to the meeting with another person. But he quickly returned and said "They said that Mavlon is in a hurry and cannot meet with us." Sh. Karimov and M. Umrzokov returned to Tashkent together. The fact that the presidential advisor and Sh. Karimov traveled on the same road together has symbolic meaning because the roads we select and the road the present government selects are completely different...

I found out later that during Sh. Karimov's "trip" to Kashkadaryo the "Erkists" claimed that Samad Murod did not agree to his proposal. At this, Sh. Karimov said "if he does not agree, we will beat him up." Sh. Karimov kept his word. After the Congress Samad Murod was brutally beaten. This is the true face of Professor Sh. Karimov! "Professor"-terrorist! This event is clear proof that he is working together with the security organs to destroy Erk as an opposition party. In this way Sh. Karimov also wrote a report to the Ministry of Internal Affairs about recognizing ERK member Safar Bekjon, who is now sitting in prison, from Ellikkala, and stated this himself at a meeting of the Khorazm Viloyat chapter of the ERK DP.

Now "professors" like him have organized a new party. We have no doubt that it is an organization of KGB agents...

Before we went to the congress Jovburi Abdulhakimov, first deputy governor of the viloyat, summoned me to his office. Because this person had only recently been appointed to his position we were unacquainted. "The ERK Congress should be held soon, do you know anything about it?" he asked. I said I did have information about it. J. Abdulhakimov talked a long time about the president's policy. Finally, he said: "Now the president is God, no one can stand against him...Your leaders are

insignificant next to him. Thus, my advice to you is to think about what you do at the Congress... Recently an ERKist professor came to Termez (he meant Sh. Karimov). If you were to elect such a man as that to the leadership, it would be acceptable."

The deputy governor repeatedly ordered me not to stare at him sullenly or look to the viloyat leaders. Naturally, I could not protest strongly to J. Abdulhakimov. Had I done that, I would have been imprisoned on the spot and could not have taken part in the congress. It is true, however, that I read the letter of party leader Muhammad Solih at the congress and bothered the deputy governor thusly.

III

I do not conceal the fact that, when I went to Tashkent to take part in the congress, it was with a feeling of trepidation that something would happen there. When Sh. Karimov and S. Yigitaliyev had reached an arrangement with the government, I know that they had traveled through all the viloyats. As it became known later, none of the ERKists went to speak to them. Talks I held with Hamidullah Nurmuhammad, secretary of the ERK Party's Central Council, Nasrullo Said, secretary of the Bukhara viloyat's central council, Samad Murod, secretary of the Kashkadaryo viloyat council, and Sulaymon Murod, secretary of the Samarkand viloyat council confirmed this. A day before the congress a meeting of the party executive committee was held at which Central Council secretaries and party viloyat secretaries attended. Sh. Karimov and S. Yigitaliyev also took part in the committee meeting. We went over the planned organization and daily agenda. The Central Council committee decided that Council Secretary Otanazar Oripov would open the congress and I would read the letter of the party leader. In an article in KHALK SOZI S. Yigitaliyev said: "Despite the sentence passed against Otanazar Oripov, he opened the party congress. Is this respect for the law?" First, Professor Otanazar Oripov was judged by lies. And then, the Central Council committee told him to chair the congress meeting. And S. Yigitaliyev voiced no protest over this at the committee meeting...

The congress was opened at 10 a.m. on 25 September, 1993 at the Railroad Workers Palace of Culture in Tashkent. The executive committee, mandate commission, and other commissions were elected. The daily agenda was confirmed. Central Council Secretary and Chairman Professor Otanazar Oripov read congratulatory telegrams from leaders of political parties in foreign countries and introduced the congress guests to the delegates. Among the guests were Kirgizboyev of the presidential office and representatives from the Tashkent city governate and representatives from political parties and movements as well as the well known poet Dadakhon Hasan and Shukhrat Ismatullayev, cochairman of the BIRLIK people's movement. Correspondents from the republic and foreign press came to cover the congress.

The meeting was turned over to me to read the party leader's letter. The sociopolitical situation in the republic was briefly analyzed in the letter, repressions directed against the opposition were criticized, and the fact that the ERK Party will not deviate from the road to freedom was reconfirmed.

Congress delegates listened to the letter attentively. I have to say that the letter added spirit to the delegates' spirit and strength to their strength. I should add that the discussions which began after the letter was read continued in this spirit. All viloyat delegates, including S. Yigitaliyev, took part in the discussions. The cochairman of the BIRLIK People's Movement Shukhrat Ismatullayev spoke. Kirgizboyev, the responsible official from the presidential office, gave a report for half an hour. This is clear proof that the congress was held in a democratic manner. Sh. Karimov's words were repudiated by the delegates, and he was driven from the podium by prolonged clapping and catcalls because he renounced his party principles to the congress, found common language with the government for his own personal interests, and had gone down the path of open betrayal.

After a recess congress delegates discussed questions of making changes in the party statutes. S. Yigitaliyev participated in this actively. The powers of the party leader were abbreviated in the statutes.

The last question was reelections to the party Central Council. Three party members from every viloyat were elected to the Central Council. After this the congress delegates passed on to the question of electing the party leader. Muhammad Solih's candidacy was endorsed unanimously and welcomed with applause. Both Sh. Karimov and S. Yigitaliyev was taken aback by this endorsement of Muhammad Solih. When the congress chairman asked: "Any against or abstaining?" No one raised their hand. Why did party members support Muhammad Solih to this extent? Because he is the true leader of Uzbekistan's democrats. When it comes to the question of leadership, there are many who want the job, but few true leaders. Leaders manifest themselves not through their own person, but through the people. The leader does not vote for himself, the people vote for him. Sh. Karimov and S. Yigitaliyev wanted to be leaders themselves; they came to the ERK congress and were thrown into confusion. After this they have tried to besmirch Muhammad Solih and the ERK Party. If the ERK Party leader did not recognize himself in the leadership, the people did and followed him, and no one else. Even before Uzbekistan entered its "reconstruction" Muhammad Solih was recognized by the people through his poems and articles on the national struggle. If he was on Central Committee Ideology Secretary R. Abdullayeva's "blacklist" during the time of I. Osmankhojayev, and on Central Committee Secretary Anishchev's "blacklist" during the time of R. Nishanov, so is he now on I. Karimov's "blacklist." As Sh. Karimov has written, after Muhammad Solih's talent and activities became known he organized ERK.

...The last question at the congress was electing a general secretary of the party's Central Council. A number of party members put forward their candidacy for the general secretaryship. Among them were Otanazar Oripov, Ibrahim Hakbul, Shodi Karimov, Sodikjon Yigitaliyev, Samad Murod, and myself. Everybody but Samad Murod withdrew their candidacy and he was elected general secretary. Why did not Sh. Karimov and S. Yigitaliyev put up a fight for the position of general secretary? There are a number of reasons for this. First, they were burdened by the government with the duty of distancing Muhammad Solih from the party leadership. They were unable to do this at the congress. Second, had they put up their names for the general secretaryship, they only would have received two votes; i.e., S. Yigitaliyev would have voted for Sh. Karimov and Sh. Karimov would have voted for S. Yigitaliyev. The congress delegates are men of high principle and spiritual purity. A vote by them for hypocrisy is unthinkable. When we come to Samad Murod, who was elected general secretary of the ERK DP, he is one of the inspired sons of the nation who has struggled for the independence of the fatherland and democracy. Samad Murod was put under pressure for his views and imprisoned. After having been elected general secretary of the party, they beat him mercilessly. Despite this, he continues to fulfill his duties.

IV

The last decisions of the congress were ratified.

On the day after the end of the congress, I returned to Termez. It was Sunday, the 26th of September. Later, there was a loud knocking on my door. I opened it, and a policeman stood there. "I am Officer Berdiyev," he said. "You are to go with me to the court." I said: "I am not going anywhere" and sent the policeman on his way. An hour later the chief of police accompanied by some of his officers came and took me to the viloyat internal affairs offices. Viloyat Chief of Internal Affairs Colonel Sharipov and viloyat department chief of the National Security Service Bozorov began to ask me questions. I refused to answer their questions and demanded to meet with the viloyat Governor Jora Noraliyev. The next morning more police came and took me to Sharipov's office. I expressed my wish to meet face to face with the governor. Viloyat Governor J. Horaliyev sent Colonel Sharipov out of his office and we began to talk. As we were talking First Deputy Governor Jovburi Abdulhakimov came in. He had an angry face and was obviously incensed. He did not sit down but came over to me and asked, "You confuse me. Who gave you permission to read Muhammad Solih's report?" I said to Governor Noraliyev "if this person does not change his tone of voice, nothing will come out of our talk." The deputy became even angrier: "What are you? You are the son of a peasant. Why do you keep silent about what you are doing?" Without saying good-bye, I left the governor's office.

The next day national security officials paid a visit to the Termez offices of the ERK Party and removed all our papers. They sealed the door of our offices. A few days later a trusted friend who works in the government came to me, saying that they were opening a criminal case against me and that, if I did not leave the viloyat, I was in danger of being thrown in prison... On 10 October I left Termez secretly.

Uzbek Politician Views Current Political Scene

944K0934B Moscow ERK in Uzbek 1 Feb 94 p 1,2

[Article by Muhammad Solih: "Critical Views of Independence"]

[Text] On a spring day in 1992 we passed through Lenin Square in Toshkent together with the Leningrad poet Viktor Sosnora and stopped by the massive statue there.

The Russian poet, staring at the statue, suddenly asked: "Will we ever see the destruction of spiritual tyranny?" This question was not an unexpected one. This is a question familiar to all the enslaved peoples in the Soviet empire.

Laughing, I gave the answer: "Sure, this statue will be destroyed, but when it is destroyed and crashes to the ground into thousands of pieces of cast iron and marble, then I will be afraid."

I could not have imagined that this joke would turn into reality before even ten years had past because the Soviet empire was perceived as a powerful fortress which no power on earth could destroy.

To be sure, Gorbachev did not come to the government to dismantle the empire, nor did Yeltsin. On the contrary, they came to reform this "fortress," to turn it into a modern empire.

In fact, as the Russian chauvinists say, not even America could bring it down. The force that destroyed it was history, or something controlling history, the possessor of an iron law outside of man's will. We call this law the will of Allah.

I mean to say that today Uzbekistan has attained its political independence, and our people are indebted to no one for this independence. Independence is only Allah's blessing and we are only indebted to Him.

Is our people worthy of this blessing?

Absolutely.

This people survived 135 years in Russia's bondage. Over this long time, Turkestan sacrificed millions of its youths for freedom, and the bravest and most courageous of our people were martyrs on the road to freedom.

What kind of people were these people?

What kind of bravery did these people, who would take a gun in their hand or if they could not find a gun, would take up a club, have to rise up against an empire armed with modern weapons?

They were brave because they had feelings of faith, fatherland, freedom, and normal human pride in their hearts. Thus, the empire acted to kill these people's pride and, to a certain extent, succeeded. The lack of faith and pride today is buried under all the spiritual, political, and economic corruption in our life.

Let me go on and speak openly. We are now in such a state that, if tomorrow a Russian or another government comes along and begins to reimpose tyranny, we would not have the will to rise up against it.

Today our mood is known. Today the government can issue any decree it wants and impose tyranny on the people, if it wants, and the society will not stand up and say "respected government, you have made a mistake!"

The present government names the minister it wants, and insults him if it wishes, but the minister does not open his mouth and defend his honor because he has no faith, no pride.

A nation made up of such persons could easily endure the tyranny of another nation.

The decline of man's will, the lack of honor and faith in our society—this is an ugly heritage left over from the Russian empire. The time has come to save ourselves from this "inheritance."

Now our nation must be recognized as a nation the equal of that of other nations and must learn to demand from every government its own rights appropriate to this.

God knows, three years ago I said to President Karimov "first let us be free of Moscow's tyranny, and then if you demonstrate tyranny, we will fight against your tyranny." These words were half truth and half a joke. Now the joke is gone but the truth remains.

In Uzbekistan the communist order did not change and we have fought against it from the beginning.

We are in the opposition. We are not personal enemies of the president. We are enemies of the old order the president is defending. We are not demanding the resignation of the president, we are demanding the retirement of a transgressor order. This order does not look to the future of our Republic, but toward the past; it is a barrier to opening up the people's potential. Society has sunk deeply into corruption and injustice. It has taught the people spiritual humility.

ON UZBEKISTAN'S DOMESTIC POLICY

When I criticized this policy, I never intended to say that the general problems, which are special to all the old republics such as the economic difficulties, are the fault

of the present government. On the contrary, I am criticizing it for reviving the old totalitarian order under the pretext of the problems left over from the past.

Other republics, despite these problems, are acting with all their capability to lay the foundations for their peoples' future.

If Uzbekistan's order is not changed, the laughable "democratic Russia" and "democratic Kyrgyzstan," which is always said sarcastically, will achieve economic progress before us. At the same time, we are sitting around and protecting our poverty with the police.

This regime is not changing: either it resigns or the people drive it from the government. The people's punishment will be meted out when a new government replaces the old.

One cannot say that the present government passed to the people when the old one disgraced itself. This suffering people is reliving the past problems of totalitarianism.

For four and a half years now this government has been repeating the saying: "you cannot build a new house until the old one is demolished." It is quite true. We have grasped this piece of wisdom now for four and a half years and hoped that as long as there is peace, everything will be fine. But our hopes have been dashed: it is known that our government has no intention of building a "new house." It intends to repair the shack remaining from the Soviet empire, and is unable to do this. We have not gone forward, we have gone backwards.

This backward movement has not just begun. The movement began after the entire government in Uzbekistan passed into the hands of one person—after the presidential elections.

Up to the elections, the government comported itself as if it were somewhat liberal, and imbued with the people's ideas. Until the election, the government had listened to the opinions of the Supreme Assembly and the peoples deputies and its policies advanced because of this. People's representatives could express their recommendations on the social and political conditions in our country, and this situation was very important in the life of the government.

Had this mood of freedom continued, the Supreme Assembly, the people's deputies, and the political parties would undoubtedly have helped the government overcome the problems which had emerged. National unity would have turned into reality.

After the new government was elected, it began to view every kind of opinion, but its own in a hostile manner. Its first act after the elections was bloodshed: students who demonstrated to show their dissatisfaction with the increase in the price of food on 16 January 1992 were shot.

Then, attacks on the opposition parties began. Members of ERK, BIRLIK, and religious functionaries were persecuted without basis, and cases of imprisonment began to occur.

1992 was a bad year for the opposition: BIRLIK was banned, the ERK party's money and printing press were confiscated illegally. First, five viloyat newspapers of this party, then the central ERK newspaper was closed.

Although hundreds of complaints came into the Republic administration about these arbitrary actions, not one was answered because it was the administration itself which was doing these arbitrary actions.

The life of opposition members who was not imprisoned was turned into a living hell. They constantly lived under persecution by spies and provocation.

In brief, Uzbekistan turned into a country of spies, investigators, and prosecutors.

At a time when our people are groaning under poverty, the government is spending a substantial part of the national budget for the material needs of the police and the KGB.

Certainly, our state has to have powerful and well equipped security organs. The opposition wants this, too. But if this equipment is not built on social justice, the people will not respect these organs, but curse them.

In no city in the world except ours do the police rove in bands. One of my foreign friends asked me: "Why are there so many police on the street, was there an incident?" I was unable to answer, because there was no incident; they were afraid that an incident would occur.

The police are increasing because those dissatisfied with the government are increasing. In the same was that persecutions are increasing, so are the numbers of people thrown in prison increasing. This is not the fault of the police, it is the fault of the government which is afraid of its own people.

Because of this, the government's control over this dissatisfaction serves to increase the dissatisfaction. The government, essentially, is afraid of its own shadow.

THE UGLY SCENE IN THE REPUBLIC'S ECONOMIC LIFE

Although a law privatizing property has already been passed, privatization has not even begun. All of the companies that opened two years ago are now closed. The market did not break down under the influence of the laws, it was closed down by the government.

Consumer goods, including food products, are not readily available. Foreign trade is not in the hands of the state, but has been passed on the relatives of the mighty. The greatest part of the income from foreign trade does

not find its way into the national treasury, but into the pockets of unknown persons.

Foreign companies will not move into Uzbekistan because we have no unified economic policy and they have no faith in the guarantees of the government.

The most frightening thing is that the economic mechanism in the Republic does not operate; it is crippled by bribery, nepotism, and corruption.

But the government is inviting foreign capitalists in, saying: "Come to us, we have political unanimity, and bring your capital!" But how long can one oil a rusted chain with the oil of political unanimity? And who will guarantee that this chain will not suddenly fall apart?

Is political unanimity held together by force secure or is it dangerous for the people and the government?

True unanimity is a unanimity built on the agreement of all groups in the society, and only with this kind of political unanimity is there a basis for a strong economy.

The time of the appropriateness of economic liberalism and political authoritarianism has passed. Some of the newly independent states cannot achieve economic development through the old model, or the model of South Korea or Chile because between the 1960s and the 1990s mankind entered into an historically unprecedented dynamic that does not fit into the old molds. Every political leader and every government must understand this historical situation deeply.

Today's political repressions have done more damage to Uzbekistan than bribery and corruption, because the capital and credits which are a life necessity to Uzbekistan are not coming in under these circumstances.

Critical Views on Cadre Policy, Social Politics, Foreign Policy

944K0934C Moscow ERK in Uzbek 1 Feb 94 p 3

[Unattributed Article: "Critical Views"]

[Text] ON UZBEKISTAN'S CADRE POLICY

Uzbekistan has opted for the classic path of a totalitarian state in its cadre policy: cadres change their position every one or two years. If an official sits in his chair too long, this will not turn into power. The government does not believe in its officials, and the officials do not believe in the government. Officials who have understood the security of their profession are compelled to think not of the state, but of their own pockets. They solicit bribes and function poorly because even if they did their jobs well, their labors would not be esteemed. They conceal themselves in meetings so the boss will not notice them. In this way they automatically sabotage the work, continuity is lost, production speed drops; this, once again, reflects the material situation of the people.

ON SOCIAL POLICY

This sector is one in which our government takes pride. It is also true that this sector is one in which our government has not worked out a program. The government is not on top of events in this sector, it lags behind them.

The government does not fear the poverty or the hunger of the people, it fears their dissatisfaction. Thus, it acts to please social groups which are potentially dangerous: students, teachers, Russian workers and Russian officials.

In Uzbekistan 6 million 770 thousand people are working. Of these, some fifty percent are workers in various sectors, 16.3 percent in industry, and 32 percent, or almost one-third, are in agriculture.

This 32 percent are our peasants. Although wages of urban workers and bureaucrats has risen ten times, that of peasants has risen only once. In addition, peasants have not received this wage for three or four months. Whatever their social guarantees are, they are not demanding them.

These people do not know what social justice is: when they government speaks about it proudly on television, they do not know what pride it is talking about.

ON UZBEKISTAN'S FOREIGN POLICY

The minister of foreign affairs has been changed three times in the last two years. Has this measure been any good for our foreign policy?

Let us take the last minister who was removed for example:

In May of 1993 the police or the KGB detained an Uzbek woman at Tashkent airport and beat her up. This woman had been working at the U.S. Embassy. The embassy protested to Uzbekistan's government, but this protest received no answer. To top it off, Uzbekistan's Ministry of Foreign Affairs issued a statement to the press, saying that "responsibility for this occurrence must be borne by the embassy itself."

This situation made no contribution to either diplomacy or policy.

In response to this, the American government expelled a delegation of Uzbek delegates headed by the chairman of the Supreme Council who had been invited to visit the United States from the country. Subsequently, Uzbekistan's government, in order to ingratiate itself with the United States, replaced the foreign minister who had only recently been appointed. In fact, both the minister and the miserable person who had beaten up the woman had followed the orders of the government. These failures in foreign policy were a result of the arbitrary action in domestic policy.

When Uzbekistan declared its independence, countries of the world began to view this country with great interest. Uzbekistan has many natural resources, its economic potential is vast, and it is an historical and cultural center.

Under these historical circumstances, Uzbekistan needs a strong foreign policy. We need a strong and independent, intelligent, and unified foreign policy.

Unfortunately, the government has not, and cannot, follow such a policy because it has destroyed its influence in the world through anti-democratic actions in its domestic policy.

Uzbekistan has embassies in four or five countries of the world. Some of the embassies are not able to state their relationship to world events. Uzbekistan's government has not even stated its own position with regard to the countries of the world.

Iraq attacked Kuwait. Uzbekistan did not state its view of this aggression. The United States bombed Iraq. Uzbekistan did not say whose side it was on. Armenian occupied Azerbaijan's soil. Uzbekistan did not state its position on this.

Half a year ago Uzbekistan's president with a large delegation went to Saudi Arabia, stayed in luxury hotels,

and enjoyed themselves, and...returned with nothing—an agreement which would aid Uzbekistan's economy was not drawn up because Uzbekistan has no opinion and no definite policy on Saudi Arabia. The government, embittered by the failure of this trip, expelled a group of Saudi Arabians who had come to the country. As a consequence, relations between the two countries have been severed.

In May of this year our president traveled to Germany. At a request from the Mercedes-Benz company, the German Government received I. Karimov. The German press made fun of this reception: "If you want to see a dictator, do not go to Latin America, come to our own Stuttgart, because Karimov is arriving here tomorrow."

Recently President Karimov put 32 tons of Uzbekistan's gold in a French bank, and, for this, he was received as an official guest for the first time in a Western country. But if every foreign journey of Karimov costs 32 tons of gold, we will soon be out of gold.

To sum up, Uzbekistan's foreign policy is the mirror image of its domestic policy. Our people have a saying: "If your face is crooked, do not kiss the mirror. We do not have the right to exchange kisses with another country.

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